

AMENDMENT NO. 2

**CONCESSION CONTRACT CC-BLRI003-04
PARKWAY INN, INC.
BLUE RIDGE PARKWAY**

This Amendment No. 2 to Concession Contract CC-BLRI003-04 ("Amendment") is made and entered into by and between the United States of America, acting by the Secretary of the Interior, through the Director of the National Park Service and the Regional Director of the National Park Service, Southeast Region (hereinafter referred to as the "Director"), and Parkway Inn, Inc., a corporation organized and existing under the laws of the State of North Carolina (hereinafter referred to as the "Concessioner"). The Director and the Concessioner are hereinafter collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, the Director and the Concessioner entered into Concession Contract No. CC-BLRI003-04 ("Contract") on September 1, 2004, whereby the Concessioner is authorized by the Director to provide required and authorized facilities and visitor services for visitors to the Blue Ridge Parkway through September 2, 2014; and

WHEREAS, Section 9 of the Contract authorizes the Concessioner to construct or install real property improvements on lands assigned to the Concessioner that are determined by the Director to be necessary and appropriate under the Contract and approved by the Director in writing; and

WHEREAS, Section 9(c) of the Contract provides that the Concessioner shall have a right to payment of compensation for the value of its Leasehold Surrender Interest ("LSI"), as that term is defined in the Contract, in real property improvements constructed or installed pursuant to the "Concession Facilities Improvement Program" (hereinafter "CFIP") detailed in Section 9(d) of the Contract; and

WHEREAS, Section 9(d) of the Contract requires the Concessioner to undertake a CFIP, under which the Concessioner was required to complete the stated projects by December 31, 2007; and

WHEREAS, in view of the imminent expiration of the Contract, the Director and the Concessioner have agreed to amend the Contract to eliminate the Concessioner's obligation to complete the remaining CFIP projects at this time; and

WHEREAS, the Director has determined, and the Concessioner has agreed, that no additional construction or installation of real property improvements under the CFIP is necessary or appropriate under the Contract; and

WHEREAS, the Director and the Concessioner have agreed that the Concessioner shall not commence or complete any additional real property improvements pursuant to the CFIP from the effective date of this Amendment through the expiration date of the Contract, and any extensions or continuations thereof; and

WHEREAS, the Director and the Concessioner have agreed that no additional LSI shall be obtained or provided under the Contract above and beyond such LSI as exists in the Completed CFIP Projects as of the effective date of this Amendment; and

WHEREAS, the Director and the Concessioner have negotiated the value of the LSI payable under the Contract and have determined that amount to be \$3,894,822.00, which amount shall constitute the agreed LSI value as of the date of expiration of the Contract, including any extensions or continuations thereof, in accordance with 36 C.F.R. Part 51 (hereinafter "ending LSI value"); and

WHEREAS, this Amendment has been negotiated by the Director and the Concessioner in good faith to effectuate the intent of the Parties as expressed in these recitals and both believe it to be fair and reasonable.

NOW, THEREFORE, in consideration of the foregoing recitals (which are deemed incorporated into this agreement), the mutual promises and covenants contained in this Amendment and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, and the mutual benefits to be derived from this Agreement, and intending to be legally bound hereby, the Director and the Concessioner agree as follows:

1. The Completed CFIP Projects as of the effective date of this Amendment constitute completion of the CFIP projects identified in Section 9(d)(2) of the Contract.
2. The Director shall not request or require the construction or installation of, and the Concessioner shall not construct or install, any additional real property improvements pursuant to Section 9(d) of the Contract from the effective date of this Amendment through the expiration date of the Contract, and any extensions or continuations thereof.
3. No additional LSI, in excess of the ending LSI value (as that term is defined herein), shall be provided by the Director to the Concessioner under or pursuant to the Contract for any CFIP projects, real property improvements, Major Rehabilitation projects, or any other undertakings commenced or performed by the Concessioner.
4. The Director and Concessioner mutually agree that the ending LSI value is and shall be THREE MILLION EIGHT HUNDRED NINETY FOUR THOUSAND EIGHT HUNDRED TWENTY TWO DOLLARS AND ZERO CENTS (\$3,894,822.00). Disposition and payment of the ending LSI value shall be in accordance with 36 C.F.R. Part 51 and the terms of the Contract. This amount has been determined based on the requirements of the Contract to determine LSI.
5. The mutual promises and covenants contained in this Amendment, and the Parties' execution hereof, shall extinguish any and all potential and existing claims, complaints, or other actions of any kind or nature concerning the Concessioner's failure to complete the CFIP that have been or may be instituted, asserted, filed, or otherwise initiated by either party, and the Parties shall not institute, assert, file or otherwise initiate any claims, complaints, or other actions against each other, including but not limited to breach of contract actions for failure to complete any CFIP projects under Section 9(d) of the Contract, or any and all claims, complaints or actions related to or arising out of the determination and amount of the ending LSI value specified in this Amendment.
6. No consideration, other than that specified herein, is or shall be paid by either party to the other, and such consideration as is specified herein shall be considered legally sufficient consideration in support of the mutual promises and covenants contained herein.
7. The Director and Concessioner agree and assert that the undertakings reflected in this Amendment are unique to the special circumstances presented by Concession Contract No. CC-

BLRI003-04 and are not intended to, nor should they be construed as, precedent for any other concession contracts or agreements entered into by the Director or the U.S. Department of the Interior on matters of a similar type or subject matter.

8. To the extent that any provisions of this Amendment are considered to be in conflict with the terms and conditions of the Contract, any extensions or continuations thereof, or other obligations or agreements of the Parties to the Contract, the Concessioner and Director agree that the provisions of this Amendment shall modify or supersede such terms and conditions to the extent necessary for the effectuation of this Amendment.
9. If written notice is required to be given by one party to another for any reason, it shall be directed to the individuals at the addresses specified below, unless the individuals specified or their successors give notice, in writing, to the other party that notice should be directed to a different individual or address. All notices shall reference this Amendment.

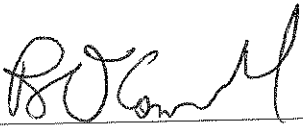
To NPS: Mark Wood, Superintendent
 Blue Ridge Parkway
 199 Hemphill Knob Road
 Asheville, NC 28803-8686

To Concessioner: Mr. Bruce O'Connell, Managing Director
 Parkway Inn, Inc. (Pisgah Inn)
 Post Office P.O. Drawer 749
 Waynesville, NC 28786

10. This Amendment contains the entire agreement between the Concessioner and the Director with respect to the subject matter hereof and supersedes all prior amendments, agreements, and understandings, whether oral or written. No modification of this Amendment shall be binding unless in writing and signed by the party to be bound.
11. All other terms of the Contract not expressly modified by the terms of this Amendment shall be and remain in full force and effect until expiration or termination of the Contract, and any extensions or continuations thereof, except as any such terms may be modified by subsequent amendment(s).

IN WITNESS WHEREOF, the NPS and Concessioner and Director have caused this Amendment to be executed by their duly authorized officers or representatives as of the latest date set forth below (the "Effective Date"). This Amendment may be executed in counterparts.

CONCESSIONER
PARKWAY INN, INC.


By: 

Name: Bruce O'Connell

Title: Managing Director/Owner

Date: 5/13/14

ATTEST:

By: 

Name: FRAN SHERLIN
(printed)

Title: RETAIL MANAGER

Date: 05/21/14

UNITED STATES OF AMERICA
By: NATIONAL PARK SERVICE

By: 

Stan Austin
Regional Director
Southeast Region

Date: 6/2/14

AMENDMENT NUMBER 1
CONCESSION CONTRACT CC-BLRI-003-04
PARKWAY INN, INC.

This AMENDMENT No. 1 is made and entered into on June 8, 2007, by and between the United States of America, acting in this matter by the Director, National Park Service (hereinafter referred to as the "Service"), through the Regional Director of the Southeast Region, (hereinafter referred to as the "Director"), and Parkway Inn, Inc., a corporation organized and existing under the laws of the State of North Carolina, doing business as "Pisgah Inn" (hereinafter referred to as the "Concessioner").

A. BACKGROUND

1. The Service and the Concessioner are parties to Concession CONTRACT No. CC-BLRI003-04 (which, including all Exhibits to the CONTRACT, is hereinafter referred to as the "CONTRACT"). The CONTRACT requires the Concessioner to provide lodging and associated visitor services on the Blue Ridge Parkway ("Park") from September 1, 2004 through August 31, 2014. The parties are mutually committed to the Concessioner providing the services required and authorized under the CONTRACT in a manner and to an extent which fulfills the purposes and intent of the CONTRACT.

2. Section 10(a) of the CONTRACT provides that the Concessioner is solely responsible for maintaining and repairing all Concession Facilities to the satisfaction of the Director. The Concession Facilities include four (4) dormitory buildings (hereinafter referred to as the "Dorm Facilities") used solely to support the Concessioner's provision of CONTRACT services.

3. The parties have exchanged documentation evidencing that the existing roofing materials on the Dorm Facilities have exceeded their useful life and are in need of immediate replacement because continued use of the existing worn and damaged roofing materials would impair the structural integrity of the Dorm Facilities. Thus, the parties have agreed it is necessary for the Concessioner to replace the roofs on the Dorm Facilities (hereinafter referred to as the "Dorm Roofing Project") in order to preserve and protect the structural integrity of the buildings. Given the condition of the existing roofing, the parties understand that time is of the essence.

4. The parties also have agreed that because the Dorm Roofing Project will change the nature, appearance or value of Concession Facilities, the project is subject to the requirements in Exhibit F of the CONTRACT. In accordance with Exhibit F procedures, the Concessioner has submitted a proposed project statement (hereinafter referred to as the "Dorm Roofing Project Statement"). Consistent with the Concessioner's express intention, the Dorm Roofing Project Statement does not contain a request or claim for the Concessioner to obtain a Leasehold Surrender Interest in the project.

5. Paragraph 10(c) (1) of the CONTRACT requires the Concessioner to establish and manage a Repair and Maintenance Reserve (hereinafter referred to as the "R&M

Reserve") to carry out repair and maintenance projects such as roof replacement. Also, Paragraph 10(c) (3) of the CONTRACT requires the Concessioner to debit 1% of the Concessioner's gross receipts to the R&M Reserve on a monthly basis for expenditure on Concession Facilities maintenance. The R&M Reserve account currently shows a zero balance (\$0.00) because of the Concessioner's recent expenditures on a roofing replacement project for Lodge Buildings A, B, and C at the Pisgah Inn.

B. OBJECTIVES

1. The Director has determined that in order for the Concessioner to fulfill its responsibilities under the CONTRACT it is necessary to maintain the structural integrity of the Dorm Facilities and appropriate to amend the CONTRACT as set forth below.
2. The purposes of Amendment No. 1 are to authorize the Concessioner (a) to undertake the Dorm Roofing Project in accordance with a duly executed Dorm Roofing Project Statement, the Project Documents referenced in Exhibit F, and the terms and conditions in Section C, below; and (b) to temporarily defer payments into the R&M Reserve under the terms and conditions in Section C, below.

C. TERMS AND CONDITIONS

In consideration of the foregoing recitals and the mutual benefits to the parties, the parties covenant and agree that the CONTRACT is amended as follows:

1. Concessioner
 - a. Upon the Park Superintendent's execution of the Dorm Roofing Project Statement, the Concessioner will commence the Dorm Roofing Project and ensure timely completion by no later than 8/31, 2007, unless the Park Superintendent extends this date in writing.
 - b. The Concessioner intends and agrees that the Concessioner will not seek or obtain a Leasehold Surrender Interest under the CONTRACT as a result of the Dorm Roofing Project.
 - c. The Concessioner will bear the full, complete and total cost of the Dorm Roofing Project in accordance with Section 10(a) of the CONTRACT and will not seek or otherwise request from the Director or the Park any funding, reimbursement, or other payment for the project.
 - d. Upon completion of the Dorm Roofing Project, the Concessioner will provide satisfactory evidence to the Park Superintendent of the Concessioner's payment of the final total Project Cost, as that term is defined in Exhibit F.
 - e. The Concessioner agrees to maintain all records for repair and maintenance expenditures under the CONTRACT, including the Dorm Roofing Project.

The Concessioner will comply with all reporting, accounting, and submission requirements in the CONTRACT including without limitation those set forth in Paragraph 10(c)(4). Additionally, on a monthly basis during the temporary Deferral Period defined in Paragraph C.2.a, below, the Concessioner will provide the Park Superintendent satisfactory documentation of detailed bookkeeping entries showing the amounts that, but for this Amendment No. 1, otherwise would have been debited to the R&M Reserve during the temporary Deferral Period.

2. Service

a. The Director will permit the Concessioner to temporarily defer the Section 10(c) (3) payments into the R&M Reserve for the period of time (hereinafter referred to as the "Deferral Period") commencing on the date described in Paragraph C.3.b., below, and continuing until the amount of the deferred payments equals the actual Project Cost of the Dorm Roofing Project.

b. Subject to the Concessioner's full compliance with the terms and conditions of Amendment No. 1, the Director agrees to temporarily forbear during the Deferral Period exercising the Director's right to terminate the CONTRACT under Paragraph 10(c)(3) for nonpayment of funds into the R&M Reserve.

3. The parties mutually agree as follows:

a. The Dorm Roofing Project is governed by the Exhibit F requirements and procedures. This project, is not, and will not be construed as, a major rehabilitation or a capital improvement project as those terms are defined in the CONTRACT.

b. The Deferral Period will commence on the first day after the Park Superintendent provides written notice to the Concessioner of project acceptance. As described in Paragraph D (14) of Exhibit F, a condition precedent for obtaining project acceptance is submission of the Concessioner's Project Completion Report. The Project Completion Report for the Dorm Roofing Project will include documentation of the Concessioner's final payment of the actual Project Cost.

c. During the Deferral Period the Concessioner's failure to debit amounts into the R&M Reserve which otherwise would have been required under Paragraph 10(c) (3) of the CONTRACT will not constitute a breach of the CONTRACT.

d. The Deferral Period will expire in the first month after a full dollar-for-dollar offset has been achieved; that is, at such time as when the dollar amount of the Concessioner's final, actual payment of the Project Cost equals the dollar amount that otherwise would have been debited into the R&M Reserve.

e. The Concessioner's R&M Reserve obligations under Paragraph 10(c) (3)

of the CONTRACT will resume when the Deferral Period expires.

f. The parties recognize and agree that they must and will work together in such manner and at such times as will facilitate the Concessioner's compliance with the record keeping requirements related to the Dorm Roofing Project and the R&M Reserve, including without limitation the tracking and calculation of the Deferral Period commencement and expiration dates.

g. All terms and conditions of the CONTRACT will remain in full force and effect for the term of the CONTRACT, except as amended by Amendment No. 1, and nothing herein will relieve the Concessioner of its obligation to comply with and perform all of the requirements in the CONTRACT.

PARKWAY INN, INC.

By:



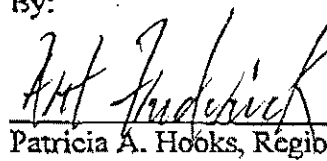
Bruce O'Connell
Managing Director
Parkway Inn, Inc.

Date:

6/7/07

UNITED STATES OF AMERICA

By:



for Patricia A. Hooks, Regional Director
National Park Service
Southeast Region

Date:

6/8/07

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BLUE RIDGE PARKWAY

FOOD & BEVERAGE, LODGING & RETAIL SERVICES

CONCESSION CONTRACT NO. BLRI003-04

*Parkway Inn, Inc.
Post Office Drawer 749
Waynesville, NC 28786
(828) 235-8228
pisgahinn@aol.com*

Doing Business As

PISGAH INN

Covering the Period

SEPTEMBER 1, 2004 through SEPTEMBER 2, 2014

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[CORPORATION]

THIS CONTRACT is made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Southeast Region, (hereinafter referred to as the "Director"), and Parkway Inn Inc., (Pisgah Inn) a corporation organized and existing under the laws of the State of North Carolina (hereinafter referred to as the "Concessioner"):

WITNESSETH:

THAT WHEREAS, Blue Ridge Parkway is administered by the Director as a unit of the national park system to conserve the scenery and the natural and historic objects and the wildlife therein, and to provide for the public enjoyment of the same in such manner as will leave such Area unimpaired for the enjoyment of future generations; and

WHEREAS, to accomplish these purposes, the Director has determined that certain visitor services are necessary and appropriate for the public use and enjoyment of the Area and should be provided for the public visiting the Area; and

WHEREAS, the Director desires the Concessioner to establish and operate these visitor services at reasonable rates under the supervision and regulation of the Director; and

WHEREAS, the Director desires the Concessioner to conduct these visitor services in a manner that demonstrates sound environmental management, stewardship, and leadership;

NOW, Therefore, pursuant to the authority contained in the Acts of August 25, 1916 (16 U.S.C. 1, 2-4), and November 13, 1998 (Pub. L. 105-391), and other laws that supplement and amend the Acts, the Director and the Concessioner agree as follows:

SEC. 1. TERM OF CONTRACT

This Concession Contract No. BLRI003-04 ("CONTRACT") shall be effective as of September 1, 2004, and shall be for the term of ten (10) years until its expiration on SEPTEMBER 2, 2014, if the Concessioner satisfactorily completes the Concession Facilities Improvement Program described in Section 9(d) of this CONTRACT. If the Concessioner fails to complete this program to the satisfaction of the Director within the time specified, then this CONTRACT shall be for the term of three (3) years until its expiration on expire on December 31, 2007. The Director may extend this shortened term (but not beyond the original date of expiration of this CONTRACT) in circumstances where the Director determines that the delay resulted from events beyond the control of the Concessioner.

SEC. 2. DEFINITIONS

The following terms used in this CONTRACT will have the following meanings, which apply to both the singular and the plural forms of the defined terms:

- (a) "Applicable Laws" means the laws of Congress governing the Area, including, but not limited to, the rules, regulations, requirements and policies promulgated under those laws (e.g., 36 CFR Part 51), whether now in force, or amended, enacted or promulgated in the future, including, without limitation, federal, state and local laws, rules, regulations, requirements and policies governing nondiscrimination, protection of the environment and protection of public health and safety.
- (b) "Area" means the property within the boundaries of Blue Ridge Parkway.
- (c) "Best Management Practices" or "BMPs" are policies and practices that apply the most current and advanced means and technologies available to the Concessioner to undertake and maintain a superior level of environmental

are expected to change from time to time as technology evolves with a goal of sustainability of the Concessioner's operations. Sustainability of operations refers to operations that have a restorative or net positive impact on the environment.

(d) "Capital Improvement" shall have the meaning set forth in Exhibit A to this CONTRACT.

(e) "Concession Facilities" shall mean all Area lands assigned to the Concessioner under this CONTRACT and all real property improvements assigned to or constructed by the Concessioner under this CONTRACT. The United States retains title and ownership to all Concession Facilities.

(f) "Days" shall mean calendar days.

(g) "Director" means the Director of the National Park Service, acting on behalf of the Secretary of the Interior and the United States, and his duly authorized representatives.

(h) "Exhibit" or "Exhibits" shall mean the various exhibits, which are attached to this CONTRACT, each of which is hereby made a part of this CONTRACT.

(i) "Gross receipts" means the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this CONTRACT, including gross receipts of subconcessioners as herein defined, commissions earned on contracts or agreements with other persons or companies operating in the Area, and gross receipts earned from electronic media sales, but excluding:

- (1) intracompany earnings on account of charges to other departments of the operation (such as laundry);
- (2) charges for employees' meals, lodgings, and transportation;
- (3) cash discounts on purchases;
- (4) cash discounts on sales;
- (5) returned sales and allowances;
- (6) interest on money loaned or in bank accounts;
- (7) income from investments;
- (8) income from subsidiary companies outside of the Area;
- (9) sale of property other than that purchased in the regular course of business for the purpose of resale;
- (10) sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded shall not exceed the amount actually due or paid government agencies; and
- (11) receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian or Native Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia and Alabama handicrafts.

All monies paid into coin operated devices, except telephones, whether provided by the Concessioner or by others, shall be included in gross receipts. However, only revenues actually received by the Concessioner from coin-operated telephones shall be included in gross receipts. All revenues received from charges for in-room telephone or computer access shall be included in gross receipts.

(j) "Gross receipts of subconcessioners" means the total amount received or realized by, or accruing to, subconcessioners from all sources, as a result of the exercise of the rights conferred by a subconcession contract. A subconcessioner will report all of its gross receipts to the Concessioner without allowances, exclusions, or deductions of any kind or nature.

(k) "Leasehold Surrender Interest" shall have the meaning set forth in Exhibit A to this CONTRACT.

(l) "Leasehold Surrender Interest Value" or the "value" of a Leasehold Surrender Interest shall have the meaning set forth in Exhibit A to this CONTRACT.

(m) "Major Rehabilitation" shall have the meaning set forth in Exhibit A to this CONTRACT.

(n) "Possessory Interest" shall have the meaning set forth in Exhibit A to this CONTRACT.

(o) "Real Property Improvements" shall have the meaning set forth in Exhibit A to this CONTRACT.

(p) "Subconcessioner" means a third party that, with the approval of the Director, has been granted by a concessioner rights to operate under a concession contract (or any portion thereof), whether in consideration of a percentage of revenues or otherwise.

(q) "Superintendent" means the manager of the Area.

(r) "Visitor services" means the accommodations, facilities and services that the Concessioner is required and/or authorized to provide by section 3(a) of this CONTRACT.

SEC. 3. SERVICES AND OPERATIONS

(a) Required and Authorized Visitor Services

During the term of this CONTRACT, the Director requires and authorizes the Concessioner to provide the following visitor services for the public within the Area:

(1) Required Visitor Services. The Concessioner is required to provide the following visitor services during the term of this CONTRACT:

- Food and beverage services: Operation of the Pisgah Inn restaurant
- Lodging services: Operation of the Pisgah Inn
- Retail services: Operation of the Pisgah Inn gift shop and General Store

(2) Authorized Visitor Services. The Concessioner is authorized but not required to provide the following visitor services during the term of this CONTRACT:

- Lodging amenities- Extra person charges, roll-a-way bed charge, VCR/DVD and movie rental, facsimile services
- Retail amenities- Automated Teller Machine and laundry machine services
- Interpretive services: Personal and/or non-personal fee and/or non-fee interpretive programs
- Other food services and food activities supporting visitor service operations as a whole including snacks, refreshments, catered services, banquet services, etc. in other locations within the assigned Area
- Visitor Internet access

(b) Operation and Quality of Operation

The Concessioner shall provide, operate and maintain the required and authorized visitor services and any related support facilities and services in accordance with this CONTRACT to such an extent and in a manner considered satisfactory by the Director. Except for any such items that may be provided to the Concessioner by the Director, the Concessioner shall provide the plant, personnel, equipment, goods, and commodities necessary for providing, operating and maintaining the required and authorized visitor services in accordance with this CONTRACT. The Concessioner's authority to provide visitor services under the terms of this CONTRACT is non-exclusive.

(c) Operating Plan

The Director, acting through the Superintendent, shall establish and revise, as necessary, specific requirements for the operations of the Concessioner under this CONTRACT in the form of an Operating Plan (including, without limitation, a risk management program, that must be adhered to by the Concessioner). The initial Operating Plan is attached to this CONTRACT as Exhibit B. The Director in his discretion, after consultation with the Concessioner, may make reasonable modifications to the initial Operating Plan that are in furtherance of the purposes of this CONTRACT and are not inconsistent with the terms and conditions of the main body of this CONTRACT.

(d) Merchandise and Services

(1) The Director reserves the right to determine and control the nature, type and quality of the visitor services described in this CONTRACT, including, but not limited to, the nature, type, and quality of merchandise, if any, to be sold or provided by the Concessioner within the Area.

2) All promotional material, regardless of media format (i.e. printed, electronic, broadcast media), provided to the public by the Concessioner in connection with the services provided under this CONTRACT must be approved in writing by the Director prior to use. All such material will identify the Concessioner as an authorized Concessioner of the National Park Service, Department of the Interior.

(3) The Concessioner, where applicable, will develop and implement a plan satisfactory to the Director that will assure that gift merchandise, if any, to be sold or provided reflects the purpose and significance of the Area, including, but not limited to, merchandise that reflects the conservation of the Area's resources or the Area's geology, wildlife, plant life, archeology, local Native American culture, local ethnic culture, and historic significance.

(e) Rates

All rates and charges to the public by the Concessioner for visitor services shall be reasonable and appropriate for the type and quality of facilities and/or services required and/or authorized under this CONTRACT. The Concessioner's rates and charges to the public must be approved by the Director in accordance with Applicable Laws and guidelines promulgated by the Director from time to time.

(f) Impartiality as to Rates and Services

(1) Subject to Section (f)(2) and (f)(3), in providing visitor services, the Concessioner must require its employees to observe a strict impartiality as to rates and services in all circumstances. The Concessioner shall comply with all Applicable Laws relating to nondiscrimination in providing visitor services to the public including, without limitation, those set forth in Exhibit C.

(2) The Concessioner may grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted under this CONTRACT. However, the Director reserves the right to review and modify the Concessioner's complimentary or reduced rate policies and practices as part of its rate approval process.

(3) The Concessioner will provide Federal employees conducting official business reduced rates for lodging, essential transportation and other specified services necessary for conducting official business in accordance with

guidelines established by the Director. Complimentary or reduced rates and charges shall otherwise not be provided to Federal employees by the Concessioner except to the extent that they are equally available to the general public.

SEC. 4. CONCESSIONER PERSONNEL

(a) Employees

(1) The Concessioner shall provide all personnel necessary to provide the visitor services required and authorized by this CONTRACT.

(2) The Concessioner shall comply with all Applicable Laws relating to employment and employment conditions, including, without limitation, those set forth in Exhibit C.

(3) The Concessioner shall ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public. The Concessioner shall have its employees who come in direct contact with the public, so far as practicable, wear a uniform or badge by which they may be identified as the employees of the Concessioner.

(4) The Concessioner shall establish pre-employment screening, hiring, training, employment, termination and other policies and procedures for the purpose of providing visitor services through its employees in an efficient and effective manner and for the purpose of maintaining a healthful, law abiding, and safe working environment for its employees. The Concessioner shall conduct appropriate background reviews of applicants to whom an offer for employment may be extended to assure that they conform to the hiring policies established by the Concessioner.

(5) The Concessioner shall ensure that its employees are provided the training needed to provide quality visitor services and to maintain up-to-date job skills.

(6) The Concessioner shall review the conduct of any of its employees whose action or activities are considered by the Concessioner or the Director to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors and shall take such actions as are necessary to correct the situation.

(7) The Concessioner shall maintain, to the greatest extent possible, a drug free environment, both in the workplace and in any Concessioner employee housing, within the Area.

(8) The Concessioner shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and in the Area, and specifying the actions that will be taken against employees for violating this prohibition. In addition, the Concessioner shall establish a drug-free awareness program to inform employees about the danger of drug abuse in the workplace and the Area, the availability of drug counseling, rehabilitation and employee assistance programs, and the Concessioner's policy of maintaining a drug-free environment both in the workplace and in the Area.

(9) The Concessioner shall take appropriate personnel action, up to and including termination or requiring satisfactory participation in a drug abuse or rehabilitation program which is approved by a Federal, State, or local health, law enforcement or other appropriate agency, for any employee that is found to be in violation of the prohibition on the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

(b) Employee Housing and Recreation

(1) If the Concessioner is required to provide employee housing under this CONTRACT, the Concessioner's charges to its employees for this housing must be reasonable.

(2) Because the visitor services required and/or authorized under this CONTRACT are located in a remote or isolated area, the Concessioner shall provide appropriate employee recreational activities.

SEC. 5. LEGAL, REGULATORY, AND POLICY COMPLIANCE**(a) Legal, Regulatory and Policy Compliance**

This CONTRACT, operations thereunder by the Concessioner and the administration of it by the Director, shall be subject to all Applicable Laws. The Concessioner must comply with all Applicable Laws in fulfilling its obligations under this CONTRACT at the Concessioner's sole cost and expense. Certain Applicable Laws governing protection of the environment are further described in this CONTRACT. Certain Applicable Laws relating to nondiscrimination in employment and providing accessible facilities and services to the public are further described in this CONTRACT.

(b) Notice

The Concessioner shall give the Director immediate written notice of any violation of Applicable Laws by the Concessioner, including its employees, agents or contractors, and, at its sole cost and expense, must promptly rectify any such violation.

(c) How and Where to Send Notice

All notices required by this CONTRACT shall be in writing and shall be served on the parties at the following addresses. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service. Notices sent to the Director shall be sent to the following address:

Superintendent
Blue Ridge Parkway
199 Hemphill Knob Road
Asheville, NC 28803

Notices sent to the Concessioner shall be sent to the following address:

Parkway Inn, Inc. (Pisgah Inn)
Post Office Drawer 749
Waynesville, NC 28786

SEC. 6. ENVIRONMENTAL AND CULTURAL PROTECTION**(a) Environmental Management Objectives**

The Concessioner shall meet the following environmental management objectives (hereinafter "Environmental Management Objectives") in the conduct of its operations under this CONTRACT:

- (1) The Concessioner, including its employees, agents and contractors, shall comply with all Applicable Laws pertaining to the protection of human health and the environment.
- (2) The Concessioner shall incorporate Best Management Practices (BMPs) in its operation, construction, maintenance, acquisition, provision of visitor services, and other activities under this CONTRACT.

(b) Environmental Management Program

- (1) The Concessioner shall develop, document, implement, and comply fully with, to the satisfaction of the Director, a comprehensive written Environmental Management Program (EMP) to achieve the Environmental Management Objectives. The initial EMP shall be developed and submitted to the Director for approval within sixty days of the effective date of this CONTRACT. The Concessioner shall submit to the Director for approval a proposed updated EMP annually.

(2) The EMP shall account for all activities with potential environmental impacts conducted by the Concessioner or to which the Concessioner contributes. The scope and complexity of the EMP may vary based on the type, size and number of Concessioner activities under this CONTRACT.

(3) The EMP shall include, without limitation, the following elements:

(i) Policy. The EMP shall provide a clear statement of the Concessioner's commitment to the Environmental Management Objectives.

(ii) Goals and Targets. The EMP shall identify environmental goals established by the Concessioner consistent with all Environmental Management Objectives. The EMP shall also identify specific targets (i.e., measurable results and schedules) to achieve these goals.

(iii) Responsibilities and Accountability. The EMP shall identify environmental responsibilities for Concessioner employees and contractors. The EMP shall include the designation of an environmental program manager. The EMP shall include procedures for the Concessioner to implement the evaluation of employee and contractor performance against these environmental responsibilities.

(iv) Documentation. The EMP shall identify plans, procedures, manuals, and other documentation maintained by the Concessioner to meet the Environmental Management Objectives.

(v) Documentation Control and Information Management System. The EMP shall describe (and implement) document control and information management systems to maintain knowledge of Applicable Laws and BMPs. In addition, the EMP shall identify how the Concessioner will manage environmental information, including without limitation, plans, permits, certifications, reports, and correspondence.

(vi) Reporting. The EMP shall describe (and implement) a system for reporting environmental information on a routine and emergency basis, including providing reports to the Director under this CONTRACT.

(vii) Communication. The EMP shall describe how the environmental policy, goals, targets, responsibilities and procedures will be communicated throughout the Concessioner's organization.

(viii) Training. The EMP shall describe the environmental training program for the Concessioner, including identification of staff to be trained, training subjects, frequency of training and how training will be documented.

(ix) Monitoring, Measurement, and Corrective Action. The EMP shall describe how the Concessioner will comply with the EMP and how the Concessioner will self-assess its performance under the EMP, at least annually, in a manner consistent with NPS protocol regarding audit of NPS operations. The self-assessment should ensure the Concessioner's conformance with the Environmental Management Objectives and measure performance against environmental goals and targets. The EMP shall also describe procedures to be taken by the Concessioner to correct any deficiencies identified by the self-assessment.

(c) Environmental Performance Measurement

The Concessioner shall be evaluated by the Director on its environmental performance under this CONTRACT, including, without limitation, compliance with the approved EMP, on at least an annual basis.

(d) Environmental Data, Reports, Notifications, and Approvals

(1) Inventory of Hazardous Substances and Inventory of Waste Streams. The Concessioner shall submit to the Director, at least annually, an inventory of federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the Area by the Concessioner. The Director may prohibit the use of any OSHA hazardous chemical by the Concessioner in operations under this CONTRACT. The Concessioner shall obtain the Director's approval prior to using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this CONTRACT. The Concessioner shall also submit to the Director, at least annually, an inventory of all waste streams generated by the Concessioner

under this CONTRACT. Such inventory shall include any documents, reports, monitoring data, manifests, and other documentation required by Applicable Laws regarding waste streams.

(2) Reports. The Concessioner shall submit to the Director copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to regulatory agencies. The Concessioner shall also submit to the Director any environmental plans for which coordination with Area operations are necessary and appropriate, as determined by the Director in accordance with Applicable Laws.

(3) Notification of Releases. The Concessioner shall give the Director immediate written notice of any discharge, release or threatened release (as these terms are defined by Applicable Laws) within or at the vicinity of the Area (whether solid, semi-solid, liquid or gaseous in nature), of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product or petroleum by-product.

(4) Notice of Violation. The Concessioner shall give the Director in writing immediate notice of any written threatened or actual notice of violation from other regulatory agencies of any Applicable Law arising out of the activities of the Concessioner, its agents or employees.

(5) Communication with Regulatory Agencies. The Concessioner shall provide timely written advance notice to the Director of communications, including without limitation, meetings, audits, inspections, hearings and other proceedings, between regulatory agencies and the Concessioner related to compliance with Applicable Laws concerning operations under this CONTRACT. The Concessioner shall also provide to the Director any written materials prepared or received by the Concessioner in advance of or subsequent to any such communications. The Concessioner shall allow the Director to participate in any such communications. The Concessioner shall also provide timely notice to the Director following any unplanned communications between regulatory agencies and the Concessioner.

(e) Corrective Action

(1) The Concessioner, at its sole cost and expense, shall promptly control and contain any discharge, release or threatened release, as set forth in this section, or any threatened or actual violation, as set forth in this section, arising in connection with the Concessioner's operations under this CONTRACT, including, but not limited to, payment of any fines or penalties imposed by appropriate agencies. Following the prompt control or containment of any release, discharge or violation, the Concessioner shall take all response actions necessary to remediate the release, discharge or violation, and to protect human health and the environment.

(2) Even if not specifically required by Applicable Laws, the Concessioner shall comply with directives of the Director to clean up or remove any materials, product or by-product used, handled, stored, disposed, or transported onto or into the Area by the Concessioner to ensure that the Area remains in good condition.

(f) Indemnification and Cost Recovery for Concessioner Environmental Activities

(1) The Concessioner shall indemnify the United States in accordance with section 12 of this CONTRACT from all losses, claims, damages, environmental injuries, expenses, response costs, allegations or judgments (including, without limitation, fines and penalties) and expenses (including, without limitation, attorneys fees and experts' fees) arising out of the activities of the Concessioner, its employees, agents and contractors pursuant to this section. Such indemnification shall survive termination or expiration of this CONTRACT.

(2) If the Concessioner does not promptly contain and remediate an unauthorized discharge or release arising out of the activities of the Concessioner, its employees, agents and contractors, as set forth in this section, or correct any environmental self-assessment finding of non-compliance, in full compliance with Applicable Laws, the Director may, in its sole discretion and after notice to the Concessioner, take any such action consistent with Applicable Laws as the Director deems necessary to abate, mitigate, remediate, or otherwise respond to such release or discharge, or take corrective action on the environmental self-assessment finding. The Concessioner shall be liable for and shall pay to the Director any costs of the Director associated with such action upon demand. Nothing in this section shall preclude the Concessioner from seeking to recover costs from a responsible third party.

(g) Weed and Pest Management

The Concessioner shall be responsible for managing weeds, and through an integrated pest management program, harmful insects, rats, mice and other pests on Concession Facilities assigned to the Concessioner under this CONTRACT. All such weed and pest management activities shall be in accordance with Applicable Laws and guidelines established by the Director.

(h) Protection of Cultural and Archeological Resources.

The Concessioner shall ensure that any protected sites and archeological resources within the Area are not disturbed or damaged by the Concessioner, including the Concessioner's employees, agents and contractors, except in accordance with Applicable Laws, and only with the prior approval of the Director. Discoveries of any archeological resources by the Concessioner shall be promptly reported to the Director. The Concessioner shall cease work or other disturbance which may impact any protected site or archeological resource until the Director grants approval, upon such terms and conditions as the Director deems necessary, to continue such work or other disturbance.

SEC. 7. INTERPRETATION OF AREA RESOURCES**(a) Concessioner Obligations**

(1) The Concessioner shall provide all visitor services in a manner that is consistent with and supportive of the interpretive themes, goals and objectives of the Area as reflected in Area planning documents, mission statements and/or interpretive prospectuses.

(2) The Concessioner may assist in Area interpretation at the request of the Director to enhance visitor enjoyment of the Area. Any additional visitor services that may result from this assistance must be recognized in writing through written amendment of Section 3 of this CONTRACT.

(3) The Concessioner is encouraged to develop interpretive materials or means to educate visitors about environmental programs or initiatives implemented by the Concessioner.

(b) Director review of content

The Concessioner must submit the proposed content of any interpretive programs, exhibits, displays or materials, regardless of media format (i.e. printed, electronic, or broadcast media), to the Director for review and approval prior to offering such programs, exhibits, displays or materials to Area visitors.

SEC. 8. CONCESSION FACILITIES USED IN OPERATION BY THE CONCESSIONER**(a) Assignment of Concession Facilities**

(1) The Director hereby assigns the following Concession Facilities to the Concessioner for the purposes of this CONTRACT:

(i) certain parcels of Area land as described in Exhibit D upon which, among other matters, the Concessioner may be authorized to construct real property; and

(ii) certain real property improvements described in Exhibit D in existence as of the effective date of this CONTRACT, as may be modified from time to time to include additional real property improvements completed in accordance with the terms and conditions of this CONTRACT.

(2) The Director shall from time to time amend Exhibit D to reflect changes in Concession Facilities assigned to the Concessioner, including, without limitation, amending Exhibit D to reflect the addition of real property

improvements completed in accordance with the terms and conditions of this CONTRACT and to reflect the withdrawal of concession facilities as set forth below.

(b) Concession Facilities Withdrawals

The Director may withdraw all or portions of these Concession Facilities assignments at any time during the term of this CONTRACT if:

- (1) the withdrawal is necessary for the purpose of conserving, preserving or protecting Area resources or visitor enjoyment or safety;
- (2) the operations utilizing the assigned Concession Facilities have been terminated or suspended by the Director; or
- (3) land or real property improvements assigned to the Concessioner are no longer necessary for the concession operation.

(c) Effect of Withdrawal

Any permanent withdrawal of assigned Concession Facilities which the Director or the Concessioner considers to be essential for the Concessioner to provide the visitor services required by this CONTRACT will be treated as a termination of this CONTRACT pursuant to Section 16. The Concessioner will be compensated pursuant to Section 17 for the value of any Leasehold Surrender Interest it may have, if any, in permanently withdrawn Concession Facilities. No other compensation is due the Concessioner in these circumstances.

(d) Right of Entry

The Director shall have the right at any time to enter upon or into the Concession Facilities assigned to the Concessioner under this CONTRACT for any purpose he may deem necessary for the administration of the Area.

(e) Personal Property

(1) Personal Property Provided by the Concessioner. The Concessioner shall provide all personal property, including without limitation removable equipment, furniture and goods, necessary for its operations under this CONTRACT, unless such personal property is provided by the Director as set forth in subsection (e)(2).

(2) Personal Property Provided by the Government. The Director may provide certain items of government personal property, including without limitation removable equipment, furniture and goods, for the Concessioner's use in the performance of this CONTRACT. The Director hereby assigns government personal property listed in Exhibit E to the Concessioner as of the effective date of this CONTRACT. This Exhibit E will be modified from time to time by the Director as items may be withdrawn or additional items added. The Concessioner shall be accountable to the Director for the government personal property assigned to it and shall be responsible for maintaining the property as necessary to keep it in good and operable condition. If the property ceases to be serviceable, it shall be returned to the Director for disposition.

(f) Condition of Concession Facilities

The Concessioner has inspected the Concession Facilities and any assigned government personal property, is thoroughly acquainted with their condition, and accepts the Concession Facilities, and any assigned government personal property, "as is."

(g) Utilities Provided by the Director

The Director may provide utilities to the Concessioner for use in connection with the operations required or authorized hereunder when available and at rates to be determined in accordance with Applicable Laws.

(h) Utilities Not Provided by the Director

If the Director does not provide utilities to the Concessioner, the Concessioner shall, with the written approval of the Director and under any requirements that the Director shall prescribe, secure necessary utilities at its own expense from sources outside the Area or shall install the utilities within the Area with the written permission of the Director, subject to the following conditions:

- (1) Any water rights deemed necessary by the Concessioner for use of water on Area or other federal lands must be acquired at the Concessioner's expense in accordance with applicable State procedures and law. Upon expiration or termination of this CONTRACT for any reason, the Concessioner must assign these water rights to the United States without compensation, and these water rights will become the property of the United States;
- (2) If requested by the Director, the Concessioner must provide to the Director any utility service provided by the Concessioner under this section to such extent as will not unreasonably restrict anticipated use by the Concessioner. Unless otherwise agreed by the Concessioner and the Director in writing, the rate per unit charged the Director for such service shall be approximately the average cost per unit of providing such service; and
- (3) All appliances and machinery to be used in connection with the privileges granted in this subsection, as well as the plans for location and installation of such appliances and machinery, shall first be approved by the Director.

SEC. 9. CONSTRUCTION OR INSTALLATION OF REAL PROPERTY IMPROVEMENTS**(a) Construction of Real Property Improvements**

The Concessioner may construct or install upon lands assigned to the Concessioner under this CONTRACT only those real property improvements that are determined by the Director to be necessary and appropriate for the conduct by the Concessioner of the visitor services required and/or authorized under this CONTRACT. Construction or installation of real property improvements may occur only after the written approval by the Director of their location, plans, and specifications. The form and content of the application and the procedures for such approvals, as may be modified by the Director from time to time, are set forth in Exhibit F. All real property improvements constructed or installed by the Concessioner will immediately become the property of the United States and be considered Concession Facilities.

(b) Removal of Real Property Improvements

- (1) The Concessioner may not remove, dismantle, or demolish real property improvements in the Area without the prior approval of the Director.
- (2) Any salvage resulting from the authorized removal, severance or demolition of a real property improvement within the Area shall be the property of the United States.
- (3) In the event that an assigned real property improvement is removed, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, the Concessioner, at its expense, shall promptly, upon the request of the Director, restore the site as nearly as practicable to its original condition.

(c) Leasehold Surrender Interest

- (1) This CONTRACT hereby provides the Concessioner, subject to all applicable definitions, requirements and limitations of this CONTRACT and Exhibit A, a Leasehold Surrender Interest in Capital Improvements constructed by the Concessioner under the terms of this CONTRACT, including, but not limited to, those Capital Improvements constructed as part of the Concession Facilities Improvement Program and those Capital Improvements which result from the Major Rehabilitation of an existing real property improvement. Upon completion of a Major Rehabilitation by the Concessioner, an existing real property improvement assigned to the Concessioner in which the Concessioner had no Leasehold Surrender Interest prior to the Major Rehabilitation shall be considered as a Capital Improvement for all purposes of this CONTRACT.

(2) This CONTRACT may provide the Concessioner a Leasehold Surrender Interest in real property improvements resulting from possessory interest obtained under the terms of a possessory interest concession contract. Exhibit G describes the real property improvements, if any, in which the Concessioner has such a Leasehold Surrender Interest and states the value of this Leasehold Surrender Interest as of the effective date of this CONTRACT.

(3) The Concessioner shall not obtain Leasehold Surrender Interest under this CONTRACT except as may be provided in Exhibit A and Exhibit F. Among other matters, no Leasehold Surrender Interest shall be obtained as a result of expenditures from the Repair and Maintenance Reserve described in this CONTRACT, and this CONTRACT does not provide a Leasehold Surrender Interest as a result of expenditures for repair and maintenance of Concession Facilities of any nature.

(d) Concession Facilities Improvement Program

(1) The Concessioner shall undertake and complete an improvement program (hereinafter "Concession Facilities Improvement Program") costing not less than \$ 2,743,000 as adjusted for each project to reflect par value in the year of actual construction in accordance with the appropriate indexes of the Department of Labor's CPI-U Index, as published by the Department of Labor.

(2) The Concession Facilities Improvement Program shall include:

PROJECT	ESTIMATED COST OF PROJECT	START DATE	COMPLETION DATE
Deferred Maintenance & Fire Safety	\$57,000	2005	2007
Building A Guestroom Renovation	\$182,000	2005	2007
Building B Guestroom Renovation	\$683,000	2005	2007
Building C Guestroom Renovation	\$747,000	2005	2007
Restaurant/Gift Shop Building Renovation	\$616,000	2005	2007
Camp Store Renovation	\$458,000	2005	2007
TOTAL REQUIRED CFIP PROJECTS	\$2,743,000		

(3) The Concessioner shall commence construction under the Concession Facilities Improvement Program on or before November 1, 2005 in a manner that demonstrates to the satisfaction of the Director that the Concessioner is in good faith carrying the Concession Facilities Improvement Program forward reasonably under the circumstances. No construction may begin until the Concessioner receives written approval from the Director of plans and specifications in accordance with Exhibit F. During the period of construction, the Concessioner shall provide the Director with such evidence or documentation, as may be satisfactory to the Director, to demonstrate that the Concession Facilities Improvement Program duly is being carried forward.

(4) The Concessioner shall complete and have the real property improvements available for public use on or before December 31, 2007. The Director may extend this date in circumstances where the Director determines that the delay resulted from events beyond the control of the Concessioner.

SEC. 10. MAINTENANCE**(a) Maintenance Obligation**

The Concessioner shall be solely responsible for maintenance, repairs, housekeeping, and groundskeeping for all Concession Facilities to the satisfaction of the Director.

(b) Maintenance Plan

For these purposes, the Director, acting through the Superintendent, shall undertake appropriate inspections, and shall establish and revise, as necessary, a Maintenance Plan consisting of specific maintenance requirements which shall be adhered to by the Concessioner. The initial Maintenance Plan is set forth in Exhibit H. The Director in his discretion may make reasonable modifications to the Maintenance Plan from time to time after consultation with the Concessioner. Such modifications shall be in furtherance of the purposes of this CONTRACT and shall not be inconsistent with the terms and conditions of the main body of this CONTRACT.

(c) Repair and Maintenance Reserve

(1) The Concessioner shall establish and manage a Repair and Maintenance Reserve. The funds in this Reserve shall be used to carry out, on a project basis in accordance with Exhibits F and H, repair and maintenance of Concession Facilities that are non-recurring within a seven-year time frame. Such projects may include repair or replacement of foundations, building frames, window frames, sheathing, subfloors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roof replacement and similar projects. Projects will be carried out by the Concessioner as the Director shall direct in writing in advance of any expenditure being made and in accordance with project proposals approved by the Director. No projects may be commenced until the Concessioner receives written approval from the Director.

(2) Projects paid for with funds from the Repair and Maintenance Reserve will not include routine, operational maintenance of facilities or housekeeping and groundskeeping activities. Nothing in this section shall lessen the responsibility of the Concessioner to carry out the maintenance and repair of Concession Facilities or housekeeping and groundskeeping responsibilities as required by this CONTRACT from Concessioner funds exclusive of the funds contained in the Repair and Maintenance Reserve.

(3) The Concessioner shall establish within its accounting system a Repair and Maintenance Reserve. The Concessioner shall debit to this Reserve, within fifteen (15) days after the last day of each month that the Concessioner operates a sum equal to: 1.0 percent (1.0%) of the Concessioner's gross receipts for the previous month. If the Concessioner fails to make timely debits to the Repair and Maintenance Reserve, the Director may terminate this CONTRACT for default or may require the Concessioner to post a bond in an amount equal to the estimated annual Repair and Maintenance Reserve allocation, based on the preceding year's gross receipts.

(4) The balance in the Repair and Maintenance Reserve shall be available for projects in accordance with the Reserve's purpose. For all expenditures made for each project from the Repair and Maintenance Reserve, the Concessioner shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to the Director. Failure to expend Repair and Maintenance Reserve Funds when directed by the Director shall be considered as a material breach of this CONTRACT for which the Director may seek monetary damages and other legal relief, including, without limitation, termination of this CONTRACT.

(5) Repair and Maintenance Reserve funds shall not be used for a major rehabilitation as defined in this CONTRACT. The Concessioner shall obtain no ownership, Leasehold Surrender Interest, or other compensable interest as a consequence of the expenditure of Repair and Maintenance Reserve funds.

(6) Any Repair and Maintenance Reserve funds not duly expended by the Concessioner as of the termination or expiration of this CONTRACT shall be retained by the Concessioner (subject to otherwise applicable terms and conditions of this CONTRACT).

SEC. 11. FEES**(a) Franchise Fee**

(1) For the term of this CONTRACT, the Concessioner shall pay to the Director for the privileges granted under this CONTRACT a franchise fee equal to the following fees listed below of the Concessioner's gross receipts:

First \$3.5 million Gross Revenue	3.0%
From \$3.5 million to \$4 million	4.0%
Over \$4.0 million	5.0%

(2) Neither the Concessioner nor the Director shall have a right to an adjustment of the fees except as provided below in subsection (d). The Concessioner has no right to waiver of the fee under any circumstances.

(b) Payments Due

(1) The franchise fee shall be due on a monthly basis at the end of each month and shall be paid by the Concessioner in such a manner that the Director shall receive payment within fifteen (15) days after the last day of each month that the Concessioner operates. This monthly payment shall include the franchise fee equal to the specified percentage of gross receipts for the preceding month.

(2) The Concessioner shall pay any additional fee amounts due at the end of the operating year as a result of adjustments at the time of submission of the Concessioner's Annual Financial Report. Overpayments shall be offset against the following year's fees. In the event of termination or expiration of this CONTRACT, overpayments will first be offset against any amounts due and owing the Government, and the remainder will be paid to the Concessioner.

(3) All franchise fee payments consisting of \$10,000 or more, shall be deposited electronically by the Concessioner using the Treasury Financial Communications System.

(c) Interest

An interest charge will be assessed on overdue amounts for each thirty (30) day period, or portion thereof, that payment is delayed beyond the fifteen (15) day period provided for above. The percent of interest charged will be based on the current value of funds to the United States Treasury as published quarterly in the Treasury Fiscal Requirements Manual. The Director may also impose penalties for late payment to the extent authorized by Applicable Law.

(d) Adjustment of Franchise Fee

(1) The Concessioner or the Director may request, in the event that either considers that extraordinary, unanticipated changes have occurred after the effective date of this CONTRACT, a reconsideration and possible subsequent adjustment of the franchise fee established in this section. For the purposes of this section, the phrase "extraordinary, unanticipated changes" shall mean extraordinary, unanticipated changes from the conditions existing or reasonably anticipated before the effective date of this CONTRACT which have or will significantly affect the probable value of the privileges granted to the Concessioner by this CONTRACT. For the purposes of this section, the phrase "probable value" means a reasonable opportunity for net profit in relation to capital invested and the obligations of this CONTRACT.

(2) The Concessioner or the Director must make a request for a reconsideration by mailing, within sixty (60) days from the date that the party becomes aware, or should have become aware, of the possible extraordinary, unanticipated changes, a written notice to the other party that includes a description of the possible extraordinary, unanticipated changes and why the party believes they have affected or will significantly affect the probable value of the privileges granted by this CONTRACT.

- (3) If the Concessioner and the Director agree that extraordinary, unanticipated changes have occurred, the Concessioner and the Director will undertake good faith negotiations as to an appropriate adjustment of the franchise fee.
- (4) The negotiation will last for a period of sixty (60) days from the date the Concessioner and the Director agree that extraordinary, unanticipated changes occurred. If the negotiation results in agreement as to an adjustment (up or down) of the franchise fee within this period, the franchise fee will be adjusted accordingly, prospectively as of the date of agreement.
- (5) If the negotiation does not result in agreement as to the adjustment of the franchise fee within this sixty (60) day period, then either the Concessioner or the Director may request binding arbitration to determine the adjustment to franchise fee in accordance with this section. Such a request for arbitration must be made by mailing written notice to the other party within fifteen (15) days of the expiration of the sixty (60) day period.
- (6) Within thirty (30) days of receipt of such a written notice, the Concessioner and the Director shall each select an arbiter. These two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel. Unless otherwise agreed by the parties, the arbitration panel shall establish the procedures of the arbitration. Such procedures must provide each party a fair and equal opportunity to present its position on the matter to the arbitration panel.
- (7) The arbitration panel shall consider the written submissions and any oral presentations made by the Concessioner and the Director and provide its decision on an adjusted franchise fee (up, down or unchanged) that is consistent with the probable value of the privileges granted by this CONTRACT within sixty (60) days of the presentations.
- (8) Any adjustment to the franchise fee resulting from this Section shall be prospective only.
- (9) Any adjustment to the franchise fee will be embodied in an amendment to this CONTRACT.
- (10) During the pendency of the process described in this Section, the Concessioner shall continue to make the established franchise fee payments required by this CONTRACT.

SEC. 12. INDEMNIFICATION AND INSURANCE

(a) Indemnification

The Concessioner agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend and indemnify the United States of America, its agents and employees from and against any and all liabilities, obligations, losses, damages or judgments (including without limitation penalties and fines), claims, actions, suits, costs and expenses (including without limitation attorneys fees and experts' fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, in any way connected with or arising out of the activities of the Concessioner, its employees, agents or contractors under this CONTRACT. This indemnification shall survive the termination or expiration of this CONTRACT.

(b) Insurance in General

- (1) The Concessioner shall obtain and maintain during the entire term of this CONTRACT at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of this CONTRACT as determined by the Director. The initial insurance requirements are set forth below and in Exhibit I. Any changed or additional requirements that the Director determines necessary must be reasonable and consistent with the types and coverage amounts of insurance a prudent businessperson would purchase in similar circumstances. The Director shall approve the types and amounts of insurance coverage purchased by the Concessioner.

(2) The Director will not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by the Concessioner proves to be inadequate or otherwise insufficient for any reason whatsoever.

(3) At the request of the Director, the Concessioner shall at the time insurance is first purchased and annually thereafter, provide the Director with a Certificate of Insurance that accurately details the conditions of the policy as evidence of compliance with this section. The Concessioner shall provide the Director immediate written notice of any material change in the Concessioner's insurance program hereunder, including without limitation, cancellation of any required insurance coverages.

(c) Commercial Public Liability

(1) The Concessioner shall provide commercial general liability insurance against claims arising out of or resulting from the acts or omissions of the Concessioner or its employees, agents or contractors, in carrying out the activities and operations required and/or authorized under this CONTRACT.

(2) This insurance shall be in the amount commensurate with the degree of risk and the scope and size of the activities required and/or authorized under this CONTRACT, as more specifically set forth in Exhibit I. Furthermore, the commercial general liability package shall provide no less than the coverages and limits described in Exhibit I.

(3) All liability policies shall specify that the insurance company shall have no right of subrogation against the United States of America and shall provide that the United States of America is named an additional insured.

(4) From time to time, as conditions in the insurance industry warrant, the Director may modify Exhibit I to revise the minimum required limits or to require additional types of insurance, provided that any additional requirements must be reasonable and consistent with the types of insurance a prudent businessperson would purchase in similar circumstances.

(d) Property Insurance

(1) In the event of damage or destruction, the Concessioner will repair or replace those Concession Facilities and personal property utilized by the Concessioner in the performance of the Concessioner's obligations under this CONTRACT.

(2) For this purpose, the Concessioner shall provide fire and extended insurance coverage on Concession Facilities for all or part of their replacement cost as specified in Exhibit I in amounts no less than the Director may require during the term of the CONTRACT. The minimum values currently in effect are set forth in Exhibit I.

(3) Commercial property insurance shall provide for the Concessioner and the United States of America to be named insured as their interests may appear.

(4) In the event of loss, the Concessioner shall use all proceeds of such insurance to repair, rebuild, restore or replace Concession Facilities and/or personal property utilized in the Concessioner's operations under this CONTRACT, as directed by the Director. Policies may not contain provisions limiting insurance proceeds to in situ replacement. The lien provision of Section 13 shall apply to such insurance proceeds. The Concessioner shall not be relieved of its obligations under subsection (d)(1) because insurance proceeds are not sufficient to repair or replace damaged or destroyed property.

(5) Insurance policies that cover Concession Facilities shall contain a loss payable clause approved by the Director which requires insurance proceeds to be paid directly to the Concessioner without requiring endorsement by the United States. The use of insurance proceeds for repair or replacement of Concession Facilities will not alter their character as properties of the United States and, notwithstanding any provision of this CONTRACT to the contrary, the Concessioner shall gain no ownership, Leasehold Surrender Interest or other compensable interest as a result of the use of these insurance proceeds.

(6) The commercial property package shall include the coverages and amounts described in Exhibit I.

SEC. 13. BONDS AND LIENS

(a) Bonds

The Director may require the Concessioner to furnish appropriate forms of bonds in amounts reasonable in the circumstances and acceptable to the Director, in order to ensure faithful performance of the Concessioner's obligations under this CONTRACT.

(b) Lien

As additional security for the faithful performance by the Concessioner of its obligations under this CONTRACT, and the payment to the Government of all damages or claims that may result from the Concessioner's failure to observe any such obligations, the Government shall have at all times the first lien on all assets of the Concessioner within the Area, including, but not limited to, all personal property of the Concessioner used in performance of the CONTRACT hereunder within the Area and any Leasehold Surrender Interest of the Concessioner.

SEC. 14. ACCOUNTING RECORDS AND REPORTS

(a) Accounting System

(1) The Concessioner shall maintain an accounting system under which its accounts can be readily identified with its system of accounts classification. Such accounting system shall be capable of providing the information required by this CONTRACT, including but not limited to the Concessioner's repair and maintenance obligations. The Concessioner's system of accounts classification shall be directly related to the Concessioner Annual Financial Report Form issued by the Director.

(2) If the Concessioner's annual gross receipts are \$250,000 or more, the Concessioner must use the accrual accounting method.

(3) In computing net profits for any purposes of this CONTRACT, the Concessioner shall keep its accounts in such manner that there can be no diversion or concealment of profits or expenses in the operations authorized under this CONTRACT by means of arrangements for the procurement of equipment, merchandise, supplies or services from sources controlled by or under common ownership with the Concessioner or by any other device.

(b) Annual Financial Report

(1) The Concessioner shall submit annually as soon as possible but not later than one hundred twenty (120) days after the last day of its fiscal year a financial statement for the preceding fiscal year or portion of a year as prescribed by the Director ("Concessioner Annual Financial Report").

(2) If the annual gross receipts of the Concessioner are in excess of \$1,000,000, the financial statements shall be audited by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(3) If annual gross receipts are between \$500,000, and \$1,000,000, the financial statements shall be reviewed by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(4) If annual gross receipts are less than \$500,000, the financial statements may be prepared without involvement by an independent Certified Public Accountant, unless otherwise directed by the Director.

(c) Other Financial Reports

(1) Balance Sheet. Within ninety (90) days of the execution of this CONTRACT or its effective date, whichever is later, the Concessioner shall submit to the Director a balance sheet as of the beginning date of the term of this CONTRACT. The balance sheet shall be audited or reviewed, as determined by the annual gross receipts, by an independent Certified Public Accountant. The balance sheet shall be accompanied by a schedule that identifies and provides details for all capital improvements in which the Concessioner claims a Leasehold Surrender Interest. The schedule must describe these capital improvements in detail showing for each such capital improvement the date acquired, constructed or installed.

(2) Statements of Reserve Activity.

The Concessioner shall submit annually, not later than one hundred twenty (120) days after the end of the Concessioner's accounting year, a statement reflecting total activity in the Maintenance Reserve for the preceding accounting year. The statement must reflect monthly inflows and outflows on a project by project basis.

SEC. 15. OTHER REPORTING REQUIREMENTS

The following describes certain other reports required under this CONTRACT:

(a) Insurance Certification

As specified in Section 12, the Concessioner shall, at the request of the Director, provide the Director with a Certificate of Insurance for all insurance coverages related to its operations under this CONTRACT. The Concessioner shall give the Director immediate written notice of any material change in its insurance program, including without limitation, any cancellation of required insurance coverages.

(b) Environmental Reporting

The Concessioner shall submit environmental reports as specified in Section 6 of this CONTRACT, and as otherwise required by the Director under the terms of this CONTRACT.

(c) Miscellaneous Reports and Data

The Director from time to time may require the Concessioner to submit other reports and data regarding its performance under the CONTRACT or otherwise, including, but not limited to, operational information.

SEC. 16. SUSPENSION, TERMINATION, OR EXPIRATION

(a) Suspension

The Director may temporarily suspend operations under this CONTRACT in whole or in part in order to protect Area visitors or to protect, conserve and preserve Area resources. No compensation of any nature shall be due the Concessioner by the Director in the event of a suspension of operations, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the suspension.

(b) Termination

(1) The Director may terminate this CONTRACT at any time in order to protect Area visitors, protect, conserve, and preserve Area resources, or to limit visitor services in the Area to those that continue to be necessary and appropriate.

(2) The Director may terminate this CONTRACT if the Director determines that the Concessioner has materially breached any requirement of this CONTRACT, including, but not limited to, the requirement to maintain and operate visitor services to the satisfaction of the Director, the requirement to provide only those visitor services

required or authorized by the Director pursuant to this CONTRACT, the requirement to pay the established franchise fee, the requirement to prepare and comply with an Environmental Management Program, the requirement to duly expend funds from the repair and maintenance reserve and the requirement to comply with Applicable Laws.

(3) In the event of a breach of the CONTRACT, the Director will provide the Concessioner an opportunity to cure by providing written notice to the Concessioner of the breach. In the event of a monetary breach, the Director will give the Concessioner a fifteen (15) day period to cure the breach. If the breach is not cured within that period, then the Director may terminate the CONTRACT for default. In the event of a nonmonetary breach, if the Director considers that the nature of the breach so permits, the Director will give the Concessioner thirty (30) days to cure the breach, or to provide a plan, to the satisfaction of the Director, to cure the breach over a specified period of time. If the breach is not cured within this specified period of time, the Director may terminate the CONTRACT for default. Notwithstanding this provision, repeated breaches (two or more) of the same nature shall be grounds for termination for default without a cure period. In the event of a breach of any nature, the Director may suspend the Concessioner's operations as appropriate in accordance with Section I6(a).

(4) The Director may terminate this CONTRACT upon the filing or the execution of a petition in bankruptcy by or against the Concessioner, a petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, an assignment by the Concessioner for the benefit of creditors, a petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this CONTRACT or any part thereof upon execution, attachment or other process of law or equity. The Director may terminate this CONTRACT if the Director determines that the Concessioner is unable to perform the terms of CONTRACT due to bankruptcy or insolvency.

(5) Termination of this CONTRACT for any reason shall be by written notice to the Concessioner.

(c) Notice of Bankruptcy or Insolvency

The Concessioner must give the Director immediate notice (within five (5) days) after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The Concessioner must also give the Director immediate notice of any petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this CONTRACT or any part thereof upon execution, attachment or other process of law or equity. For purposes of the bankruptcy statutes, NPS considers that this CONTRACT is not a lease but an executory contract exempt from inclusion in assets of Concessioner pursuant to 11 U.S.C. 365.

(d) Requirements in the Event of Termination or Expiration

(1) In the event of termination of this CONTRACT for any reason or expiration of this CONTRACT, the total compensation due the Concessioner for such termination or expiration shall be as described in Section 17 of this CONTRACT. No other compensation of any nature shall be due the Concessioner in the event of a termination or expiration of this CONTRACT, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the termination.

(2) Upon termination of this CONTRACT for any reason, or upon its expiration, and except as otherwise provided in this section, the Concessioner shall, at the Concessioner's expense, promptly vacate the Area, remove all of the Concessioner's personal property, repair any injury occasioned by installation or removal of such property, and ensure that Concession Facilities are in at least as good condition as they were at the beginning of the term of this CONTRACT, reasonable wear and tear excepted. The removal of such personal property must occur within thirty (30) days after the termination of this CONTRACT for any reason or its expiration (unless the Director in particular circumstances requires immediate removal).

(3) To avoid interruption of services to the public upon termination of this CONTRACT for any reason, or upon its expiration, the Concessioner, upon the request of the Director, shall consent to the use by another operator of the Concessioner's personal property, excluding inventories if any, not including current or intangible assets, for a period of time not to exceed one (1) year from the date of such termination or expiration. The other operator shall

pay the Concessioner an annual fee for use of such property, prorated for the period of use, in the amount of the annual depreciation of such property, plus a return on the book value of such property equal to the prime lending rate, as published by the Federal Reserve System Board of Governors, effective on the date the operator assumes managerial and operational responsibilities. In such circumstances, the method of depreciation applied shall be either straight line depreciation or depreciation as shown on the Concessioner's Federal income tax return, whichever is less. To avoid interruption of services to the public upon termination of this CONTRACT for any reason or its expiration, the Concessioner shall, if requested by the Director, sell its existing inventory to another operator at the purchase price as shown on applicable invoices.

SEC. 17. COMPENSATION

(a) Just Compensation

The compensation provided by this Section shall constitute full and just compensation to the Concessioner for all losses and claims occasioned by the circumstances described below.

(b) Compensation for CONTRACT Expiration or Termination

If, for any reason, including CONTRACT expiration or termination, the Concessioner shall cease to be authorized by the Director to conduct operations under this CONTRACT, the Concessioner shall convey to a person designated by the Director (including the Director if appropriate) any Leasehold Surrender Interest it has under the terms of this CONTRACT and the Director shall, subject to the terms and conditions of this CONTRACT, assure that the Concessioner is paid the Leasehold Surrender Interest Value.

(c) Procedures for Establishing the Value of a Leasehold Surrender Interest

At any time during the term of this CONTRACT, the Concessioner shall, when requested by the Director, enter into negotiations with the Director as to the value of the Concessioner's Leasehold Surrender Interest under this CONTRACT. In the event that such negotiations fail to determine an agreed upon value within a reasonable period of time as determined by the Director, the Director or the Concessioner may initiate arbitration proceedings to determine such value upon written request to the other party. Such arbitration proceedings shall be conducted in accordance with the arbitration procedures set forth in Exhibit A. In these circumstances, the Concessioner and the Director shall each select an arbiter. The two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel in accordance with Exhibit A. The arbitration panel shall consider the written submissions and any oral presentations made by the Concessioner and the Director and shall determine the value of the Leasehold Surrender Interest consistent with the terms of this CONTRACT, including without limitation Exhibit A. The arbitration panel shall also provide a means to calculate the change in the value of such Leasehold Surrender Interest as may occur for up to two (2) years from the date of the initial determination. The determination of the arbitration panel shall be binding on the Director and the Concessioner.

(d) Compensation for Personal Property

No compensation is due the Concessioner from the Director or a successor concessioner for the Concessioner's personal property used in operations under this CONTRACT. However, the Director or a successor concessioner may purchase such personal property from the Concessioner subject to mutually agreed upon terms. Personal property not removed from the Area by the Concessioner in accordance with the terms of this CONTRACT shall be considered abandoned property subject to disposition by the Director, at full cost and expense of the Concessioner, in accordance with Applicable Laws. Any cost or expense incurred by the Director as a result of such disposition may be offset from any amounts owed to the Concessioner by the Director to the extent consistent with Applicable Laws.

SEC. 18. ASSIGNMENT, SALE OR ENCUMBRANCE OF INTERESTS

(a) This CONTRACT is subject to the requirements of Applicable Laws, including, without limitation, 36 CFR Part 51, with respect to proposed assignments and encumbrances, as those terms are defined by Applicable Laws. Failure

by the Concessioner to comply with Applicable Laws is a material breach of this CONTRACT for which the Director may terminate this CONTRACT for default. The Director shall not be obliged to recognize any right of any person or entity to an interest in this CONTRACT of any nature, including, but not limited to, Leasehold Surrender Interest or operating rights under this CONTRACT, if obtained in violation of Applicable Laws.

(b) The Concessioner shall advise any person(s) or entity proposing to enter into a transaction which may be subject to Applicable Laws, including without limitation, 36 CFR Part 51, of the requirements of Applicable Law and this CONTRACT.

SEC. 19. GENERAL PROVISIONS

(a) The Director and Comptroller General of the United States, or any of their duly authorized representatives, shall have access to the records of the Concessioner as provided by the terms of Applicable Laws.

(b) All information required to be submitted to the Director by the Concessioner pursuant to this CONTRACT is subject to public release by the Director to the extent provided by Applicable Laws.

(c) Subconcession or other third party agreements, including management agreements, for the provision of visitor services required and/or authorized under this CONTRACT are not permitted.

(d) The Concessioner is not entitled to be awarded or to have negotiating rights to any Federal procurement or service contract by virtue of any provision of this CONTRACT.

(e) Any and all taxes or assessments of any nature that may be lawfully imposed by any State or its political subdivisions upon the property or business of the Concessioner shall be paid promptly by the Concessioner.

(f) No member of, or delegate to, Congress or Resident Commissioner shall be admitted to any share or part of this CONTRACT or to any benefit that may arise from this CONTRACT but this restriction shall not be construed to extend to this CONTRACT if made with a corporation or company for its general benefit.

(g) This CONTRACT is subject to the provisions of 43 CFR, Subtitle A, Subpart D, concerning nonprocurement debarment and suspension. The Director may recommend that the Concessioner be debarred or suspended in accordance with the requirements and procedures described in those regulations, as they are effective now or may be revised in the future.

(h) This CONTRACT contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this CONTRACT. This CONTRACT may be extended, renewed or amended only when agreed to in writing by the Director and the Concessioner.

(i) This CONTRACT does not grant rights or benefits of any nature to any third party.

(j) The invalidity of a specific provision of this CONTRACT shall not affect the validity of the remaining provisions of this CONTRACT.

(k) Waiver by the Director or the Concessioner of any breach of any of the terms of this CONTRACT by the other party shall not be deemed to be a waiver or elimination of such term, nor of any subsequent breach of the same type, nor of any other term of the CONTRACT. The subsequent acceptance of any payment of money or other performance required by this CONTRACT shall not be deemed to be a waiver of any preceding breach of any term of the CONTRACT.

(l) Claims against the Director (to the extent subject to 28 U.S.C. 2514) arising from this CONTRACT shall be forfeited to the Director by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof within the meaning of 28 U.S.C. 2514.

In Witness Whereof, the duly authorized representatives of the parties have executed this CONTRACT as of
the 16TH day of AUGUST 2004.

Concessioner

BY Shyellw Prevot
Pres

(Title)

Parkway Inn, Inc
(Company Name)

United States of America

BY Patricia A. Hooks
Regional Director, Southeast Region
National Park Service

EXHIBIT A

LEASEHOLD SURRENDER INTEREST

This Exhibit A to this CONTRACT establishes certain terms and conditions of the CONTRACT regarding the nature, scope and applicable conditions of leasehold surrender interest. In event of any inconsistency between this Exhibit A and Exhibit F of this CONTRACT this Exhibit A shall prevail.

Section 1. Definitions

“Arbitration” means binding arbitration conducted by an arbitration panel. All arbitration proceedings conducted under the authority of this Exhibit A will utilize the following procedures unless otherwise agreed by the Concessioner and the Director. One member of the arbitration panel will be selected by the Concessioner, one member will be selected by the Director, and the third (neutral) member will be selected by the two party-appointed members. The neutral arbiter must be a licensed real estate appraiser. The expenses of the neutral arbiter and other associated common costs of the arbitration will be borne equally by the Concessioner and the Director. The arbitration panel will adopt procedures that treat each party equally, give each party the opportunity to be heard, and give each party a fair opportunity to present its case. Determinations must be made by a majority of the members of the panel and will be binding on the Concessioner and the Director.

A **“capital improvement”** is a structure, fixture, or non-removable equipment provided by the Concessioner pursuant to the terms of this CONTRACT and located on lands of the United States within the area. A capital improvement does not include any interest in land. Additionally, a capital improvement does not include any interest in personal property of any kind including, but not limited to, vehicles, boats, barges, trailers, or other objects, regardless of size, unless an item of personal property becomes a fixture as defined in this Exhibit A.

“Construction cost” of a capital improvement means the total of the incurred eligible direct and indirect costs necessary for constructing or installing the capital improvement that are capitalized by the Concessioner in accordance with Generally Accepted Accounting Principals (GAAP).

“Consumer Price Index” means the national “Consumer Price Index--All Urban Consumers” published by the Department of Labor. If this index ceases to be published, the Director will designate another regularly published cost-of-living index approximating the national Consumer Price Index.

“Depreciation” means the loss of value in a capital improvement as evidenced by the condition and prospective serviceability of the capital improvement in comparison with a new unit of like kind.

“Eligible direct costs” means the sum of all incurred capitalized costs (in amounts no higher than those prevailing in the locality of the project), that are necessary both for the construction of a capital improvement and are typically elements of a construction contract. Eligible direct costs may include, without limitation, the costs of (if capitalized in accordance with GAAP and in amounts no higher than those prevailing in the locality of the project): building permits;

materials, products and equipment used in construction; labor used in construction; security during construction; contractor's shack and temporary fencing; material storage facilities; power line installation and utility costs during construction; performance bonds; and contractor's (and subcontractor's) profit and overhead (including job supervision, worker's compensation insurance and fire, liability, and unemployment insurance).

“Eligible indirect costs” means, except as provided in the last sentence of this definition, the sum of all other incurred capitalized costs (in amounts no higher than those prevailing in the locality of the project) necessary for the construction of a capital improvement. Eligible indirect costs may include, without limitation, the costs of (if capitalized in accordance with GAAP and in amounts no higher than those prevailing in the locality of the project): architectural and engineering fees for plans, plan checks; surveys to establish building lines and grades; environmental studies; if the project is financed, the points, fees or service charges and interest on construction loans; all risk insurance expenses and ad valorem taxes during construction. The actual capitalized administrative expenses (in amounts no higher than those prevailing in the locality of the project did) of the Concessioner for direct, on-site construction inspection are eligible indirect costs. Other administrative expenses of the Concessioner are not eligible indirect costs.

“Fixtures and non-removable equipment” are manufactured items of personal property of independent form and utility necessary for the basic functioning of a structure that are affixed to and considered to be part of the structure such that title is with the Director as real property once installed. Fixtures and non-removable equipment do not include building materials (e.g., wallboard, flooring, concrete, cinder blocks, steel beams, studs, window frames, windows, rafters, roofing, framing, siding, lumber, insulation, wallpaper, paint, etc.). Because of their special circumstances, floating docks (but not other types of floating property) that may be constructed by the Concessioner pursuant to the terms of this CONTRACT are considered to be non-removable equipment for leasehold surrender interest purposes only. Except as otherwise indicated in Exhibit A, the term “fixture” includes the term “non-removable equipment.”

“Leasehold surrender interest” solely means a right to payment in accordance with this CONTRACT for related capital improvements that the Concessioner makes or provides within the area on lands owned by the United States pursuant to the terms and conditions of this CONTRACT. The existence of a leasehold surrender interest does not give the Concessioner, or any other person, any right to conduct business in a park area, to utilize the related capital improvements, or to prevent the Director or another person from utilizing the related capital improvements. The existence of a leasehold surrender interest does not include any interest in the land on which the related capital improvements are located.

“Leasehold surrender interest value” means the amount of compensation the Concessioner is entitled to be paid for a leasehold surrender interest in capital improvements in accordance with this CONTRACT. The leasehold surrender interest value in existing capital improvements under the terms of this CONTRACT is an amount equal to:

- 1) The initial construction cost of the related capital improvement;
- 2) Adjusted by (increased or decreased) the same percentage increase or decrease as the percentage increase or decrease in the Consumer Price Index from the date the Director approves the substantial completion of the construction of the related capital improvement to the date of payment of the leasehold surrender interest value;

- 3) Less depreciation of the related capital improvement on the basis of its condition as of the date of termination or expiration of this CONTRACT, or, if applicable, the date on which the Concessioner ceases to utilize a related capital improvement (e.g., where the related capital improvement is taken out of service by the Director pursuant to the terms of this CONTRACT).

“Major rehabilitation” means a planned, comprehensive rehabilitation of an existing structure that:

- 1) The Director approves in advance and determines is completed within 18 months from start of the rehabilitation work (unless a longer period of time is approved by the Director in special circumstances); and
- 2) The construction cost of which exceeds fifty percent of the pre-rehabilitation value of the structure.

“Pre-rehabilitation value” of an existing structure means the replacement cost of the structure less depreciation.

“Real property improvements” means real property other than land, including, but not limited to, capital improvements.

“Related capital improvement” or **“related fixture”** means a capital improvement in which the Concessioner has a leasehold surrender interest.

“Replacement cost” means the estimated cost to reconstruct, at current prices, an existing structure with utility equivalent to the existing structure, using modern materials and current standards, design and layout.

“Structure” means a building, dock, or similar edifice affixed to the land so as to be part of the real estate. A structure may include both constructed infrastructure (e.g., water, power and sewer lines) and constructed site improvements (e.g., paved roads, retaining walls, sidewalks, paved driveways, paved parking areas) that are permanently affixed to the land so as to be part of the real estate and that are in direct support of the use of a building, dock, or similar edifice. Landscaping that is integral to the construction of a structure is considered as part of a structure. Interior furnishings that are not fixtures are not part of a structure.

“Substantial completion of a capital improvement” means the condition of a capital improvement construction project when the project is substantially complete and ready for use and/or occupancy.

Section 2. Obtaining a Leasehold Surrender Interest

The Concessioner will obtain leasehold surrender interest in capital improvements constructed in accordance with the terms and conditions of this CONTRACT, including, without limitation, the terms and conditions of this Exhibit A to the CONTRACT.

Section 3. Authorizing the Construction of a Capital Improvement

The Director may only authorize or require the Concessioner to construct capital improvements on area lands in accordance with the terms and conditions of this CONTRACT and for the conduct by the Concessioner of visitor services, including, without limitation, the construction of capital improvements necessary for the conduct of visitor services.

Section 4. Requirements for Beginning To Construct a Capital Improvement

Before beginning to construct any capital improvement, the Concessioner must obtain written approval from the Director in accordance with the terms of this CONTRACT, including the terms and conditions of this Exhibit A and Exhibit F. The request for approval must include appropriate plans and specifications for the capital improvement and any other information that the Director may specify. The request must also include an estimate of the total construction cost of the capital improvement. The estimate of the total construction cost must specify all elements of the cost in such detail as is necessary to permit the Director to determine that they are elements of construction cost as defined in this Exhibit. (The approval requirements of this and other sections of this CONTRACT also apply to any change orders to a capital improvement project and to any additions to a structure or replacement of fixtures as described in this CONTRACT.)

Section 5. Requirements After Substantial Completion of a Capital Improvement

Upon substantial completion of the construction of a capital improvement in which the Concessioner is to obtain a leasehold surrender interest, the Concessioner must provide the Director a detailed construction report in accordance with the terms and conditions of this CONTRACT, including without limitation Exhibit A and Exhibit F. The construction report must be supported by actual invoices of the capital improvement's construction cost together with, if requested by the Director, a written certification from a certified public accountant. The construction report must document, and any requested certification by the certified public accountant must certify, that all components of the construction cost were incurred and capitalized by the Concessioner in accordance with GAAP, and that all components are eligible direct or indirect construction costs as defined in this Exhibit. Invoices for additional construction costs of elements of the project that were not completed as of the date of substantial completion may subsequently be submitted to the Director for inclusion in the project's construction cost.

Section 6. Determining Construction Cost for Purposes of Leasehold Surrender Interest Value

After receiving the detailed construction report (and certification, if requested), from the Concessioner, the Director will review the report, certification and other information as appropriate to determine that the reported construction cost is consistent with the construction cost approved by the Director in advance of the construction and that all costs included in the construction cost are eligible direct or indirect costs as defined in this Exhibit A. The construction cost determined by the Director will be the final determination of construction cost

for purposes of the leasehold surrender interest value in the related capital improvement unless the Concessioner requests arbitration of the construction cost under Section 7 of this Exhibit A. The Director may at any time review a construction cost determination (subject to arbitration under Section 7 of this Exhibit A) if the Director has reason to believe that it was based on false, misleading or incomplete information.

Section 7. Arbitrating the Construction Cost of a Capital Improvement

If the Concessioner requests arbitration of the construction cost of a capital improvement determined by the Director, the request must be made in writing to the Director within 3 months of the date of the Director's determination of construction cost under Section 6 of this Exhibit A. The arbitration procedures are described in Section 1 of this Exhibit A. The decision of the arbitration panel as to the construction cost of the capital improvement will be binding on the Concessioner and the Director.

Section 8. Actions the Concessioner May or Must Take Regarding Leasehold Surrender Interest

The Concessioner:

- 1) May encumber a leasehold surrender interest in accordance with the terms of this CONTRACT;
- 2) Where applicable, must transfer its leasehold surrender interest in connection with any assignment, termination or expiration of this CONTRACT; and
- 3) May waive or relinquish a leasehold surrender interest.

Section 9. Extinguishment of a Leasehold Surrender Interest

A leasehold surrender interest may not be extinguished by the expiration or termination of this CONTRACT and a leasehold surrender interest may not be taken for public use except on payment of just compensation. Payment of leasehold surrender interest value pursuant to the terms of this CONTRACT will constitute the payment of just compensation for leasehold surrender interest within the meaning of this CONTRACT and for all other purposes.

Section 10. Leasehold Surrender Interest Under a New Concession Contract

If the Concessioner under this CONTRACT is awarded a new concession contract by the Director, and the new concession contract continues a leasehold surrender interest in related capital improvements, then the Concessioner's leasehold surrender interest value (established as of the date of expiration or termination of this CONTRACT) in the related capital improvements will be continued as the initial value of the Concessioner's leasehold surrender interest under the terms of the new concession contract.

Section 11. Payment for Leasehold Surrender Interest if the Concessioner is not Awarded a New Concession Contract

- 1) If the Concessioner is not awarded a new concession contract after expiration or termination of this CONTRACT, or, the Concessioner, prior to such termination or expiration, ceases to utilize under the terms of this CONTRACT capital improvements in which the Concessioner has a leasehold surrender interest, the Concessioner will be entitled to be paid its leasehold surrender interest value in the related capital improvements. The leasehold surrender interest will not be transferred until payment of the leasehold surrender interest value. The date for payment of the leasehold surrender interest value, except in special circumstances beyond the Director's control, will be the date of expiration or termination of this CONTRACT, or the date the Concessioner ceases to utilize related capital improvements under the terms of this CONTRACT. Depreciation of the related capital improvements will be established as of the date of expiration or termination of this CONTRACT, or, if applicable, the date the Concessioner ceases to utilize the capital improvements under the terms this CONTRACT.
- 2) In the event that extraordinary circumstances beyond the control of the Director prevent the Director from making the leasehold surrender interest value payment as of the date of expiration or termination of this CONTRACT, or, as of the date the Concessioner ceases to utilize related capital improvements under the terms of this CONTRACT, the payment when made will include interest on the amount that was due on the date of expiration or termination of this CONTRACT or cessation of use for the period after the payment was due until payment is made (in addition to the inclusion of a continuing Consumer Price Index adjustment until the date payment is made). The rate of interest will be the applicable rate of interest established by law for overdue obligations of the United States. The payment for a leasehold surrender interest value will be made within one year after the expiration or termination of this CONTRACT or the cessation of use of related capital improvements under the terms of this CONTRACT.

Section 12. Process for Determining Leasehold Surrender Interest Value

In the event that the Concessioner and the Director cannot reach agreement as to a leasehold surrender interest value where required by the terms of this CONTRACT, the Director's determination of leasehold surrender interest value will be final unless binding arbitration as to the value is requested by the Concessioner. The arbitration procedures are described in Section 1. A prior decision as to the construction cost of capital improvements made by the Director or by an arbitration panel in accordance with this Exhibit A are final and not subject to further arbitration.

Section 13. Payment of Leasehold Surrender Interest by a New Concessioner

A new concession contract awarded to a new Concessioner will require the new Concessioner to pay the prior Concessioner its leasehold surrender interest value in existing capital improvements as determined under Section 12.

Section 14. Obtaining Additional Leasehold Surrender Interest by Undertaking a Major Rehabilitation or Adding to a Structure in Which the Concessioner has a Leasehold Surrender Interest

If the Concessioner, with the written approval of the Director, undertakes a major rehabilitation or adds a new structure (e.g., a new wing to an existing building or an extension of an existing sidewalk) to an existing structure in which the Concessioner has a leasehold surrender interest, the Concessioner will increase its leasehold surrender interest in the related structure, effective as of the date of substantial completion of the major rehabilitation or new structure, by the construction cost of the major rehabilitation or new structure. The Consumer Price Index adjustment for leasehold surrender interest value purposes will apply to the construction cost as of the date of substantial completion of the major rehabilitation or new structure. Approvals for major rehabilitations and additions to structures are subject to the same requirements and conditions applicable to new construction as described in this CONTRACT.

Section 15. Obtaining Additional Leasehold Surrender Interest by Replacing a Fixture in Which the Concessioner has a Leasehold Surrender Interest

If the Concessioner replaces an existing fixture in which the Concessioner has a leasehold surrender interest with a new fixture, the Concessioner will increase its leasehold surrender interest by the amount of the construction cost of the replacement fixture less the construction cost of the replaced fixture.

Section 16. Obtaining a Leasehold Surrender Interest in Existing Real Property Improvements in which no Leasehold Surrender Interest Exists

- 1) If the main body of this CONTRACT requires the Concessioner to replace fixtures in real property improvements in which there is no leasehold surrender interest (e.g., fixtures attached to an existing government facility assigned by the Director to the Concessioner), a leasehold surrender interest will be obtained by the Concessioner in such replacement fixtures subject to the approval and determination of construction cost and other conditions contained in CONTRACT.
- 2) If the main body of this CONTRACT requires the Concessioner to undertake a major rehabilitation of a structure in which there is no leasehold surrender interest (e.g., a government-constructed facility assigned to the Concessioner), upon substantial completion of the major rehabilitation, the Concessioner will obtain a leasehold surrender interest in the structure. The initial construction cost of this leasehold surrender interest will be the construction cost of the major rehabilitation. Depreciation for purposes of leasehold surrender interest value will apply only to the rehabilitated components of the related structure.

Section 17. No Leasehold Surrender Interest Results from Repair and Maintenance of Real Property Improvements

The Concessioner will not obtain initial or increased leasehold surrender interest as a result of repair and maintenance of real property improvements unless a repair and maintenance project is a major rehabilitation.

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BY: Phyllis Prevatt

BY: [Signature]

TITLE: Pres

TITLE: SUPERINTENDENT

DATE: 08 / 11 / 04

DATE: 8/12/04

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INTRODUCTION

This Operating Plan between Parkway Inn, Inc. (Pisgah Inn) (hereinafter referred to as the "Concessioner") and Blue Ridge Parkway (hereinafter referred to as the "Park"), and the National Park Service (hereinafter referred to as the "Service") will serve as a supplement to Concession Contract CC-BLRI003-04 (hereinafter referred to as the "Contract"). It describes specific operating responsibilities of the Concessioner and the Service with regard to those lands and facilities within Blue Ridge Parkway that are assigned to the Concessioner for the purposes authorized by the Contract.

The National Park Service Concessions Management Guideline (D.O.48A), pending approval and issuance, offers general direction, expectations and standards on all aspects of concession operations.

In the event of any conflict between the terms of the Contract and this Operating Plan, the terms of the Contract, including its designations and amendments, will prevail.

This plan will be reviewed annually by the Superintendent of Blue Ridge Parkway in consultation with the Concessioner and revised as determined necessary by the Superintendent.

Any revisions will be consistent with the main body of this Contract. Any revisions must be reasonable and in furtherance of the purposes of the Contract. This plan will remain in effect until superseded or amended.

1) **Responsibilities**

A) Concessioner

- (1) To achieve an effective and efficient working relationship between the Concessioner and the Service, the Concessioner will designate an on-site general manager who:
 - (a) Has the authority and the managerial experience for operating the authorized concessions facilities and services within the Park;
 - (b) Will employ a staff with the expertise and training to operate all services authorized under this Contract;
 - (c) Has full authority to act as a liaison in all concession administrative and operational matters within the Park; and,
 - (d) Has the responsibility for implementing the policies and directives of the Service.
- (2) The Service has the right to review the qualifications of the General Manager, prior to hiring. More information regarding the General Manager may be found below in Section F.

B) Blue Ridge Parkway

The Superintendent of Blue Ridge Parkway is the Park manager with responsibility for all Park operations, including concession operations. The Superintendent carries out the policies and directives of the National Park Service, including concession contract management. Directly, or through designated representatives, the Superintendent

reviews, directs, and coordinates concessioner activities relating to Blue Ridge Parkway. This includes:

- (1) Evaluation of concessioner services and facilities;
- (2) Review and approval of rates charged for all commercial services; and,
- (3) Review and approval of construction and all improvement to facilities.

Within 60 days of final execution of the contract, the Park shall provide a current list to the Concessioner with all appropriate points of contact.

2) General Operating Standards and Requirements

A) Schedule of Operation

- (1) *Obligation.* The Concessioner will provide the required and authorized services for Blue Ridge Parkway visitors on a seasonal basis. The traditional operating season begins on or about early April and ends on or about early November. The Concessioner will annually submit a written schedule of proposed opening and closing dates and operating hours for all concession operations for the Superintendent's approval prior to implementation. Weather and visitation may cause specific dates of operating seasons to fluctuate. These changes, however, will be agreed upon and approved by the Superintendent prior to implementation. All services will be open with regular hours of operation during any holidays within the operating season.

B) Rate Determination and Approval Process

- (1) *Rate Determination.* It is the objective of the Park to ensure that the Concessioner's rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided by the private sector. Reasonableness of rates will be judged based upon current concession management guidelines (see Appendix G). Rate approval methods are subject to change. The currently approved rate method is comparability for all services and facilities except for the following:
 - (a) Merchandise including gifts, souvenirs and convenience store items are approved by the Merchandise Pricing method of rate approval.
 - (b) If both the Park and the Concessioner have agreed to implement the NPS Core Menu Program, then the Park will approve core menu items utilizing the Core Menu Rate process, described in detail in Attachment A. However, if either party opts not to participate in the NPS Core Menu Program, the Park will return to the direct full review comparability method of rate approval.
- (2) *Request Submittal for Annual Rate Changes.* All requests will be submitted in writing, at least 60 days prior to anticipated implementation dates, brochure publication dates and customer notification. Rate requests require support by established criteria and comparable data. The information to be included in the request is outlined in current Service guidelines. New rates will be evaluated once per year unless there are extenuating circumstances that require rates to be reevaluated. The Service will consider alternate rate settings methodology to reflect

substantial changes in service quality, expenditures, or required investment. A listing of approved rates for the current contract is included as Attachment B of this exhibit.

(3) Rate Approval

(a) Approval Timing. The Service will approve, disapprove or adjust rates and will inform the Concessioner within 60 days of the rate request submittal assuming some unusual situation does not arise that could postpone the review process. In the unlikely event a delay should occur, the Park would use the Indexing method of rate approval as a device to more quickly address temporary rates if the concessioner agrees. It is the responsibility of the Concessioner to submit rate requests in a timely manner.

(b) Approved Rate Posting. All rates for goods and services will be available to visitors. Room rates will be posted in each room.

(4) Rate Compliance. The Concessions Management Office staff will periodically conduct on-site comparability studies with follow-up telephone calls to update rate information for a rate review. Rate compliance will be checked during periodic operation evaluations and throughout the year. Approved rates will remain in effect until superseded by written changes approved by the Superintendent.

(5) Reduced Rates for Government Employees. Reduced rates for Government employees on official business will be part of the approved rate schedules and will not exceed allowable per diem as outlined in section 3(f)(3) of the Contract. Request for Government rates will be made to the concessioner as needed from the Superintendent through the Concessions Management Office. Goods and services may not be provided to government employees or their families without charge or at reduced rates, except within the provisions described above or as available to the general public.

C) Purchasing

(1) Competitive Purchasing. Purchases may be made from a facility operated or owned by the Concessioner or a parent company, provided the product is comparable in quality and price.

(2) Discounts. The Concessioner will take advantage of all available trade, cash and quantity discounts and rebates as detailed in the current Service Concession Management Guidelines (see Appendix D).

D) Evaluations

The Concessioner will ensure the public health and safety, and provide satisfactory services and accommodations for the Park visitor within the assigned areas of responsibility. The operation of accommodations, facilities, and services authorized by this Contract will conform to the evaluation standards set forth in the current Evaluation Program format. The evaluation of facilities and services is a component of the annual overall rating.

The Service and/or its representatives and the Concessioner will separately inspect and monitor concession facilities and services with respect to Service policy, applicable standards, authorized rates, safety, public health, environmental compliance, impacts on

cultural and natural resources, identified maintenance and operating deficiencies, and visitor comments.

The Concessioner will meet with Service officials to prioritize and schedule the correction of deficiencies and the implementation of improvement programs resulting from these inspections. The Concessioner will be responsible for correction of deficiencies and abatement plans within dates assigned by the Service.

(1) *Periodic Operations Inspections.* The Service will conduct both announced and unannounced periodic inspections of concession facilities and activities to ensure conformance to applicable standards. Location managers will be contacted at the time of facility evaluations so that a representative of the Concessioner may accompany the Park evaluator. The Service reserves the right to enter the Concessioner's facilities at any time for any evaluation when deemed necessary and appropriate.

(2) *Health and Safety Inspections*

- (a) Concessioner Safety Inspection. The Concessioner will perform periodic interior and exterior safety inspections of all concession facilities, including employee housing, in accordance with its documented Risk Management Program. The Concessioner has the responsibility for both health and safety inspections in employee housing areas. The Concessioner will ensure employee compliance with health, fire, and safety code regulations as well as the Service's policies and guidelines.
- (b) Service Safety Inspections. The Service will periodically conduct a comprehensive safety and occupational health evaluation of all operations and facilities in addition to the review of the Concessioner's Risk Management Program. Safety will also be a component of regular periodic evaluations.
- (c) Public Health Inspections. The Public Health Service Sanitarian will conduct announced and unannounced periodic evaluations of the Concessioner's food and beverage, grocery and other food sales, and public shower facilities.
 - Food and Beverage Operations. The Concessioner will develop and follow a Hazard Analysis Critical Control Point ("HACCP") Plan, consistent with the current food code published by the U.S. Public Health Service, which will be available from the Service upon request. The Service may help develop and update the program as necessary.

(3) *Fire Inspections*

- (a) Service Responsibilities. The National Park Service Southeast Regional Office ("Region") is the jurisdiction having authority ("JHA") for all fire codes on federal lands within Blue Ridge Parkway. (The State of North Carolina also has jurisdiction and may conduct fire safety inspections of concessioner facilities.) The Region will conduct fire safety inspections at its discretion over the course of the contract term. The Park will also conduct fire safety inspections.
- (b) Concessioner Responsibilities. The Concessioner will have a qualified professional perform interior and exterior fire inspections of all concession

buildings within 30 days of initial occupancy and on an annual basis thereafter. Written records, verifying the completion of such inspections, will be maintained by the Concessioner and available to the Service upon request. The Concessioner will conduct routine fire drills of concession facilities as required by its Risk Management Program.

- (4) *Visitor Comments.* The Concessioner will make Service-approved comment cards available to visitors in order to measure service and quality standards, product mix, pricing and overall Park experience. It will be the responsibility of the Concessioner to make sure an adequate inventory of comment cards is available at appropriate locations within its facilities.

 - (a) The Concessioner will investigate and respond to all visitor complaints regarding its services. Visitor comments that allege misconduct by concession employees, pertain to the safety of visitors or other Park employees, or concern the safety of Park resources will be provided to the Service upon receipt.
 - (b) The Concessioner will forward to the Superintendent, at the end of the season, a summary of all comments and/or complaints received on comment cards or any other form of documentation regarding the Park. Individual comments must be provided upon request.
 - (c) The Service will forward to the Concessioner any comments and/or complaints received regarding the Concessioner's facilities or services. The Concessioner will investigate and make an initial response to any complaints within 48 hours. The Concessioner will provide a copy of responses to the Superintendent, and a copy of any Service responses will be forwarded to the Concessioner.
- (5) *Interpretive Audit Program.* If interpretive programming is approved, the Service will regularly evaluate the Concessioner's interpretive and informational services to ensure appropriateness, accuracy, quality, and the relationship of interpretive presentations to Park themes.
- (6) *Environmental Audit.* The Service has established a Concessioner Environmental Audit Program that is separate from the concession operation evaluation process, but is integrally linked. The audit program evaluates the Concessioner's facilities and operations with respect to environmental compliance and Best Management Practices Criteria contained within the current NPS environmental audit program operating guidelines. The Concessioner will submit to environmental audits at least every five years.
- (7) *Risk Management Program.* As required by the Occupational Safety and Health Act of 1970 and the National Park Service Risk Management Program, the Concessioner will provide a safe and healthful environment for all of its employees and visitors. A Risk Management Plan will be developed and maintained by the Concessioner to implement an appropriate safety program. The initial plan will be developed and submitted to the Park within 60 days of the awarding of this contract. This plan will be reviewed and approved by the Park annually, in accordance with OSHA, NFPA and Service guidelines.

E) General Policies

- (1) Facilities Use. Concession facilities may not be used for activities or services that do not directly and exclusively support contractual services authorized by the Contract without written permission from the Service.
 - (a) Quiet Hours. Quiet hours will be enforced between the hours of 9:00 p.m. and 8:00 a.m. in all Concessioner employee housing areas. Noise levels are to be maintained at levels that will not disturb visitor use at all times.
 - (b) Smoking Policy. Concession facilities must comply with current Service and Superintendent guidelines. Smoking is prohibited in all concession public areas and any other area within concession facilities so designated by "No Smoking" signs.
- (2) ADA Compliance. The Concessioner will ensure that all facilities provided are in compliance with federal accessibility guidelines and standards. New construction and facility renovations will meet accessibility requirements. The Concessioner will be responsible for providing an ADA Compliance Plan to the Service within 90 days of awarding of the Contract.
- (3) ATM. The Concessioner may provide ATMs. The locations of the machines and service rates will be in a convenient and secure location as approved by the Superintendent.
- (4) Facility Reservations. The Concessioner will utilize a central computerized reservation system for all Park lodging activities. Reservations will be accepted on a 366-day forward rolling basis.
 - (a) Staff. The Concessioner will adequately staff the Reservations Office on a year-round basis and will increase staff, if necessary, to meet the need during peak periods. Reduced hours and dates of operation may be considered by the Park during periods of closure so long as a message is carried on the concessioner's phone that advises guests that reservations can be made by fax or Internet. The Internet address and fax number needs to be included in the message. If routine or scheduled closures are to be considered, appropriate information needs to be included on all advertising.
 - (b) Reservations Services. Reservations services will be available at a minimum via the telephone, mail, fax, and Internet.
 - (c) Deposits/Refunds. The deposit requirement and refund policy is part of the rate approval process. The policy will be included in all accommodation brochures and reservation confirmations.
 - A one-night deposit may be required to hold a reservation and may be paid by cash, check, money order, or major credit card.
 - Refunds will be processed within two weeks of cancellation.
 - (d) Cancellations. If cancellations are made within 14 days prior to arrival, the deposit will be refunded in full less an approved administrative fee. An administrative fee schedule will be submitted with each rate request. If the

cancellation is made in less than 48 hours prior to the approved check in time, the deposit may be forfeited. In situations where a legitimate emergency exists, the concessioner will be expected to use ordinary and customary business practice and refund the deposit.

- (e) Confirmed Rates. Rates confirmed by the Concessioner, as identified in the reservation confirmation, will be honored during the entire time of stay.

(5) *Lost and Found*. The Concessioner will establish and provide an effective program for handling lost and found or unattended property in facilities and upon lands assigned to the Concessioner.

- (a) Items lost or found within the Concessioner's Land Assignments will be processed as follows:

- Items will be tagged at the facility where they are found or turned in by completing a Lost and Found Report, which identifies the item, date, location and name of finder.
- Lost and Found report will be completed indicating name, address and telephone number of the person reporting a lost item, description of the item, date and location of loss, and the name of the person taking the report.
- The Concessioner will hold all found property for the operating season. Efforts will be made to return found items to the owner within a 30-day period.
- No items will be released without claimant providing proper identification of the item, name, address, and signature of receipt.
- Unclaimed items will be returned to the finder, if so requested.
- Unclaimed items not returned to the finder can become the property of the Concessioner or be donated to a charitable non-profit organization. Items of little or no value may be destroyed. Disposition of items will be noted on the Lost and Found Report.
- Lost and Found Reports will be retained by the Concessioner for 3 years.

- (b) Items found outside the Concessioner's land assignments will be processed as follows.

- Finders shall be instructed to take items to the closest open visitor contact desk or Park Headquarters in Asheville to be further processed by the Park.

(6) *Credit Cards*. Government-issued credit cards will be honored and, at a minimum, American Express, MasterCard and Visa will be honored.

(7) *Telephone Services*

- (a) Public Pay Phones. The Concessioner will not remove or supplement public pay phones within the assigned areas without the Superintendent's written approval. Public phones will be checked regularly to ensure that they are in working order.

Out-of-order phones must have a sign on them directing the visitors to the nearest working unit.

(8) Vending

- (a) Vending Sources. Vending machines will be conveniently located, and of a design and color which complements the aesthetics of the building and surroundings. The Service will approve all locations.
- (b) Standards. All machines will be clean, properly stocked, and in good working condition. Signing on the machine may relate to Park interpretive themes or will be generic in nature. Brand information will only be visible when at the machine. The machines will be adequately illuminated, but will not contribute to night light pollution.
- (c) Out-of-service. Any vending machines that are temporarily out-of-service will have computer-generated signs posted with appropriate information that will direct visitors to the closest available unit.
- (d) Cigarettes. Cigarette vending machines will not be located anywhere within the Concessioner's assigned areas.

(9) Vehicles

- (a) Licensing, Insurance, Maintenance and Registration. All vehicular equipment used by the Concessioner as well as the vehicles belonging to Concessioner's employees, will be properly registered, licensed, insured, and maintained in accordance with federal and state law and regulations.
- (b) Identification. Concessioner vehicles will be discreetly identified with the Company name. All lettering should be no larger than three and one half inches in height.

(10) Employee Housing and Food

- (a) The Concessioner will provide food and housing for its employees when needed. Charges for such food and housing shall be in accordance with state and federal laws.
- (b) The Concessioner will designate a supervisor for employee housing. The supervisor's name and contact information will be provided to the Service.
- (c) Pets are not to be maintained by employees at Mount Pisgah.
- (d) Employee rooms will be adequately furnished to serve the number of occupants. The Concessioner will ensure that occupancy levels are not exceeded.
- (e) The Concessioner will notify a Park ranger of abandoned vehicles within its land assignment, which may include employee vehicles. The Park ranger will make arrangements to have vehicles towed in accordance with Park standard operating procedures.
- (f) Employees residing in the Concessioner's employee housing area will be informed of service regulations and policies by means to include, but not limited

to, employee orientation, newsletters, and official advisories and notices provided by the Concessioner or the Service.

- (g) The content of the employee housing lease agreement and the employee housing rules and regulations are subject to the approval of the Superintendent.

F) Human Resources Management

- (1) *Employee Identification and Appearance.* The Concessioner will ensure that all employees in direct contact with the general public wear uniforms or standardized clothing with a personal nametag. Employees will be neat and clean in appearance and will project a hospitable, positive, friendly and helpful attitude.

- (2) *Check-in Procedures.* The Concessioner will implement and utilize a standardized check-in and checkout system for every employee.

(3) Employee Hiring Procedures

- (a) General Manager. The Concessioner will employ a local general manager who is responsible for the successful implementation of the terms required by the Contract. The general manager should have at least five years of experience as a general manager of a multi-disciplinary resort and have a strong background in the hospitality industry. The Concessioner will submit the resume of the general manager to the Service for its review.
- (b) Staffing Requirements. The Concessioner will hire a sufficient number of employees to ensure satisfactory visitor services throughout the season. All applicable requirements of the Federal and/or State Department of Labor will be met.
- (c) Drug-free Environment. The Concessioner will maintain, to the greatest extent possible, a drug-free workplace environment. The Concessioner will conduct educational program(s) for its employees to deter substance and alcohol abuse. All employees will be required to participate in a drug-testing program. Should illegal drug use occur, it must be promptly reported by the Concessioner to the Chief Rangers Office and Concessions Management Office.
- (d) Background Checks. The Concessioner will establish hiring policies that will include appropriate background reviews of applicants for employment. The Concessioner will not hire, or retain, any person known to have an outstanding warrant for arrest and may coordinate with the Service to assist in securing this information prior to hiring new employees. Employees that have been terminated in the past of activities involving the use of drugs, inappropriate use of alcohol, violation of laws or regulations, disturbances requiring involvement by ranger staff, etc, are not to be rehired.
- (e) Driver Requirements. Drivers of delivery trucks or passenger carrying vehicles will have a valid state operators license for the size and class of vehicle being driven. They shall also meet additional North Carolina requirements established for the type of vehicle driven or number of passengers carried.
- (f) Affirmative Action. The Concessioner will have an affirmative action plan as required by law and will post the plan in offices and work areas.

- (g) Park Employees. The spouse or dependent of the Superintendent, Assistant Superintendent, Concession Staff, Environmental Manager or Public Health Sanitarian may not be employed by the Concessioner. The Concessioner will not employ in any status a Park employee, his/her spouse, or minor children of other Park employees without the Superintendent's approval.

(4) Training

- (a) Safety. The Concessioner will train its employees annually according to the training requirements in its Risk Management Plan.
- (b) Job Training and Orientation. The Concessioner will provide appropriate job training to each employee prior to duty assignments and working with the public. The Concessioner will provide mandatory employee orientation for all new employees and inform employees of Park regulations and requirements that affect their employment and activities while working and residing in the Park.
- (c) Hospitality Training. The Concessioner will provide hospitality training for employees who have direct visitor contact.
- (d) Sanitation Training. The Concessioner will provide sanitation training to food service personnel at the start of their employment in a food service facility and as needed to comply with the current edition of the U. S. Public Health Service Food Code.
- (e) Interpretive Training. If the Park approves interpretive activities, the Concessioner will provide interpretive skills training for all employees who provide interpretive, informational and safety orientation information and/or services. The Concessioner will work closely with the Concessions Management Office and Interpretive Division to improve the methods of preparing and presenting effective interpretive information. The Concessions Management Office will evaluate interpretive visitor services to ensure appropriateness, accuracy, and the relationship to Park interpretive themes.
- (f) Employee Handbook. The Concessioner will provide all employees with a copy of the Concessioner's employee handbook, which will specifically identify the policies and regulations of the Concessioner and the Service. A copy of all employee handbooks will be provided to the Concessions Office for a 30-day period of review prior to distribution to employees to assure consistency with all Park rules and regulations. An updated copy is to be forwarded to the Park annually.

3) Utility Responsibility

A) Concessioner

(1) Responsibility

- (a) The Concessioner is responsible for contracting independent suppliers to provide utility services not provided by the Park. The Concessioner is responsible for the direct payment to these suppliers.

- (b) The Concessioner is liable for prompt payments of electricity, fuel, refuse collection, telephone, sewage disposal, water or any other utility or service, whether made by governmental authority, public or community service company.

B) National Park Service

(1) Responsibility

- (a) The Service will provide water and sewage services to the Concessioner's assigned facilities. The Service will charge on a monthly basis for these services in accordance with current regulations and policies.
- (b) The Service will review operating costs for utility systems and services annually and will notify the Concessioner in writing by March 1 annually of the rates for the upcoming year effective May 1 – April 30. A rate comparability study is to be done by the Park, and rates will be based on both the study and results of the preceding fiscal year's actual costs.

4) Protection and Security

A) Concessioner Security Personnel

- (1) Security.* During the operating season, the Concessioner will provide security personnel for the employee housing area to handle in-house employee issues and to check concession facilities for security purposes on a 24-hour, 7-day per week schedule. Concessioner-employed security personnel are empowered to enforce the Concessioner's employee policies and housing regulations.
- (2) Authority.* Concessioner-employed security personnel have only the authority of private citizens in their interaction with Park visitors. They have no authority to take law enforcement action or to carry firearms.

B) The National Park Service

- (1) Authority.* The National Park Service has jurisdiction on all parklands and facilities on parklands including law enforcement, search and rescue, emergency medical services and structural fire.
- (2)* The Service will provide visitor protection and will conduct law enforcement patrols within concession land assignments and facilities.
- (3)* The Service will provide law enforcement services for issues that extend beyond the appropriate duties of Concessioner security personnel.
- (4)* The Service will handle all violations of federal, state, county or Service regulations or policies. State or county officials may be called to assist in some matters but this will be accomplished through the Chief Ranger's Office or his/her authorized representative.

C) Fire Protection

The Service and the Concessioner will provide fire protection jointly, with primary responsibility lying with the Service.

(1) Concessioner

- (a) Fire prevention, protection and suppression will be primary considerations at all facilities. In the event of a fire, the concessioner will contact the local fire department or 911 immediately and request assistance. The Parkway Communications Center will then be contacted. If it is not operational, the incident needs to be reported to 1-800- PARKWATCH.
 - (b) The Concessioner has the responsibility to ensure that all facilities within its assigned area meet federal, state and local codes and that fire detection and appropriate suppression equipment is installed, operated, and maintained in accordance with applicable National Fire Protection Association standards.
- (2) *National Park Service.* The Service will respond to a fire and provide for visitor assistance and incident management.

D) Emergency Medical Care

- (1) *Emergency Medical Care.* Emergency medical care is to be obtained from local out-of-Park services.
- (2) *Training*
 - (a) The Concessioner is encouraged to allow employees to attend emergency medical training, including CPR and First Response courses.
 - (b) All concession employees will be trained in proper emergency reporting procedures and will be instructed to provide essential information, e.g. a call back number at their location.
- (3) *Points of Contact to Report Medical Emergencies.* 911 should be contacted for all medical emergencies. The Parkway Communications Center will then be contacted. If it is not operational, the incident needs to be reported to 1-800- PARKWATCH.
- (4) The Concessioner will be required to have an automatic external defibrillator (AED) and personnel trained to operate it.

5) Public Relations

A) Required Notices

The following notice will be prominently posted at all Concessioner cash registers and payment areas:

“This service is operated by (Concessioner’s name), a Concessioner under contract with the U.S. Government and administered by the National Park Service. The Concessioner is responsible for conducting these operations in a satisfactory manner. The National Park Service approves prices. Please address comments to:

Superintendent
Blue Ridge Parkway
199 Hemphill Knob Road
Asheville, N.C. 28803

B) Public Statements

All media inquiries concerning operations within the Park will be forwarded to the Park's Concessions Management Office.

C) Advertisements and Promotional Material*(1) Promotional Material*

- (a) Approval. The Superintendent must approve all promotional material prior to publication, distribution, broadcast, etc. The Concessioner will contact the Concessions Management Office well in advance to establish specific time frames for each project review. The Superintendent may require unapproved promotional material to be removed from circulation.
- (b) Promotional material distributed within the Park is restricted to services and facilities within the Park, unless the Superintendent approves exceptions.
- (c) Promotional material may be displayed at approved locations within Park visitor centers as well as within the Concessioner's land assignments.
- (d) Changes. Brochure changes and layout should be submitted to the Superintendent for review at least 30 days prior to projected need/printing dates. The Superintendent will make every effort to respond to minor changes to brochure and other texts within 15 days. Longer periods may be required for major projects or where Concessions Office assistance is required to help develop the product.
- (e) Park Publications. The Park's newspaper, the *Milepost*, includes information on concessioner-operated facilities within the Park.

(2) Statements

- (a) Authorization. Advertisements must include a statement that the National Park Service and the Department of the Interior authorize the Concessioner, to serve the public on the Blue Ridge Parkway.
- (b) Equal Opportunity. Advertisements for employment must state that the company is an equal opportunity employer.

6) Volunteers in the Park ("VIP") Program

The Concessioner will encourage and permit its employees to participate in the Park's Volunteers in Parks program. The Concessioner will make arrangements for this training with the Park Volunteer in Parks coordinator through the Concessions Management Office.

7) Specific Operating Standards And Requirements

All services are to be provided in a consistent, quality manner. The specific operating standards, as described in the following paragraphs, are considered service minimums. The Concessioner is expected to make every effort to exceed these standards. The Concessioner will be responsible for monitoring its operations to ensure that quality standards are met.

A) Lodging*(1) General*

- (a) Telephone Service. Emergency messages must be delivered to the guest immediately upon receipt.
- (b) Non-Smoking Rooms. Non-smoking rooms will be provided in accordance with hospitality industry and guest trends.
- (c) Guest Room Security. Each guest unit door must be equipped with both a primary lock and a secondary deadbolt lock.
 - Each door to a connecting room must be equipped with a deadbolt lock.
 - Sliding glass doors must be equipped with an effective locking device. A secondary locking device is required if the door is located on the ground floor.
- (d) Guest Room Cleanliness. At a minimum, each guest unit must be cleaned thoroughly with complete bed and bath linens changed between stays and with daily maid service for multiple-night stays. Fresh linens, towels and bathroom supplies must be available upon request. Adequate approved informational signs must be displayed in all rooms informing the visitor that the change of linen and towels is an environmental program endorsed by the Park and that it is their option to request daily changes and replacement if needed.
- (e) Information Packet. At a minimum each guest room will include information outlining facilities and amenities available throughout the Park.

(2) *Lodging*

- (a) Standard. The Lodge will be operated at a facility and service standard approximating a three-diamond hotel designation as determined by the American Automobile Association ("AAA"). All rooms will have the following minimum amenities:
 - Complimentary in-room coffee/tea makers and coffee and tea packets, sugar, cream, etc.
 - Hairdryers available
 - Beverage containers and ice bucket
 - Quality amenity package that includes soap, shampoo/conditioner, and lotion.
 - Alarm clock
 - Towel service that correlates to the number of pillows
 - Iron and ironing board available upon request (irons must be equipped with automatic shut-offs)
 - Complimentary toiletries available upon request, e.g. toothpaste, toothbrush, sewing kits
- (b) Front Desk Operations. A front desk agent must be available for guest services 24-hours per day; 7 days a week during the entire operating season, including holidays.

- (c) Group bookings. Secondary to providing standard and routine services to the public. However, the Park will approve and support supplementing revenues with group business when it does not impact regular visitor use. The Park and Concessioner will address group business annually (prior to opening for the season) and develop a group business plan for the season.

B) Food and Beverage Service

(1) *General*

- (a) Facility Use. The Concessioner will not use the facilities assigned within the Contract to provide catering services outside the Park without the consent of the Superintendent.
- (b) Management. The Concessioner will ensure that a manager and/or other key personnel will be visible in the food service outlet during service hours.
- (c) Menus. All menus will maintain a price range that accommodates the general range of Park visitors, and be consistent with NPS Core Menu Program guidelines (see Attachment A). The Concessioner will offer a range of food that provides for a wide variety of visitors, including vegetarian entrees, heart healthy entrees, light eater's entrees, and children's menus. (The current concessioner's menus may be found in Attachment C of this exhibit).
- (d) Food Safety Certification. The Concessioner will have at least one full-time certified food safety manager. The manager will be certified as a ServSafe Food Protection Manager by the National Restaurant Association.
- (e) Liquor Laws. All alcoholic beverage services are to be provided consistent with state and federal laws and as approved in the food service rate approval.
- (f) Product Specifications. The Concessioner will use the following specifications as a guide when purchasing product:
- Meat
 - ◆ Beef USDA Prime and Choice
 - ◆ Pork USDA Number 1
 - ◆ Veal USDA Select and Choice
 - ◆ Lamb USDA Prime Choice
 - ◆ Poultry USDA Grade "A" for all graded fresh or frozen poultry and poultry products as a minimum specification.
 - Seafood
 - ◆ Frozen fish, if used, must be a nationally distributed brand, packed under continuous inspection of the US Department of the Agriculture.
 - Dairy
 - ◆ Eggs Fresh USDA or State Graded "A" Large

- | | |
|--------------------------|---------------------------------------|
| ♦ Butter | USDA Grade “A” (92) Score |
| ♦ Cheese | USDA Grade “A” for all graded cheeses |
| ♦ Milk and Milk Products | USDA Grade “A” Fresh |
| • Produce | USDA Grade “A” |
| • Dry Stores | Grade “A” Fancy |
| • Canned Goods | Grade “A” Fancy |

C) Merchandising

(1) General

- (a) Wherever possible and appropriate, informational tags will be attached to the sales items to show their relationship to Park themes.
- (b) Handicraft items representing Park and regional themes, including crafts by local and Native American artists (see Sec.2.(i)(11)), will be actively sought and prominently displayed.
- (c) A broad range of gifts and souvenirs will provide visitors with opportunities to buy inexpensive as well as fine art items.
- (d) Items of interpretive value and general value in natural and cultural education will be prominently displayed.

- (2) *Merchandise Plan.* The Concessioner will develop and implement a merchandise plan based on the Park’s Gift Shop Mission Statement (to be provided by the park subsequent to the award of the contract), and incorporate the merchandise plan into the operation of all merchandise areas.

(3) Items Available for Sale

- (a) Gifts and Souvenirs. Gift shops will offer items that have a direct relationship to the Blue Ridge Parkway, its environs, history, or other related natural or cultural topics. This will provide visitors with opportunities to buy memorabilia of their visit while at the same time obtaining information or educational messages related to the Parks' resources. The Superintendent has the right to review and approve all merchandise sold in the Park. Certain items may be determined to be inappropriate and unacceptable for sale.
- (b) Grocery and Convenience Items. The Concessioner will provide a wide range, selection, and pricing for grocery and convenience items appropriate to and with Park approval.
- (c) Firewood. The Concessioner will acquire fully cured firewood from outside the Park for sale in its roadside General Store.

D) Interpretive Services

(1) Personal Interpretive Services

- (a) Park Knowledge. Employees will demonstrate their knowledge of Blue Ridge Parkway resources, history, and utilize appropriate interpretive techniques in their presentations.
- (b) Park Involvement. The Park staff is available to advise and assist the Concessioner in the development of interpretive materials.

(2) Non-Personal Interpretive Services

- (a) Non-Personal Interpretive Items. The Concessioner will actively pursue a non-personal interpretive program. The Concessioner will explore a wide array of methods for conveying interpretive messages to visitors on Park-related themes and topics such as resource protection, appreciation of Park values, and Service goals. In retail, lodging, and food service facilities interpretive messages will be included on a variety of items, including hangtags, receipts, menus, placemats, paper cups, and comment cards. The Concessions Management Office will review and approve all interpretative materials for public distribution.
- (b) Locations. Park interpretive themes will be integrated into the interior decors at retail, lodging, and food service facilities. Appropriate areas within the land assignment, both interior and exterior locations, will be made available to provide Park interpretive and safety messages in various mediums, including bulletin boards and kiosks.
- (c) Maps and Guides. The Concessioner will make Park information available at lodging, restaurant, gift shop, general store and all other desks.

8) Reporting Requirements

A) Park Reports

- (1) *Utility Costs.* The Park staff will conduct an annual review of the operating costs for utility systems and services and the Concessioner will be notified in writing of the rates for the upcoming year 30 days in advance of implementation.
- (2) *Annual Performance Evaluation.* The Concessioner will receive an annual performance evaluation by the end of January for the preceding calendar year. The Superintendent and/or his/her representative(s) are available to meet with the Concessioner to discuss the annual evaluation, which includes contractual, operational, public health, and safety components.

B) Concessioner Operational Reports

The Service will be allowed to inspect supporting documentation for all operational reports upon request.

(1) General

- (a) Management Listing. The local General Manager will provide the Concessions Management Office a list identifying key concession management and supervisory personnel by department with their job titles, and office and emergency phone numbers by March 15 of each year.

- (b) Incident Reports. The Concessioner will immediately report to a Park ranger or call 1-800-PARKWATCH:
- Any motor vehicle accident resulting in property damage, personal injury or death as soon as practicable, but within 24 hours of the accident.
 - Any incident resulting in personal injury (requiring more than minor first aid treatment) or property damage exceeding \$300 as soon as possible.
 - Other incidents that may affect Park resources (e.g., fires, hazardous material spills) or are violation of state and federal law.
- (c) Human Illness Reporting. Any suspected outbreak of human illness, whether employees or guests, is to be promptly reported to the Public Health Officer through the Park's Concessions Management Office. A suspected outbreak of human illness is two or more persons with common symptoms that could be associated with contaminated water or food sources or other adverse environmental conditions.
- (d) Survey Response Data. All customer surveys must be reviewed and approved by the Park Superintendent prior to any survey implementation. Data collected by the Concessioner or third parties for the Concessioner will be provided to the Superintendent in summary form within 30 days of receipt. The Superintendent reserves the right to review supplemental information that supports the summary provided.
- (2) *Monthly Visitor Use Reports.* The Concessioner will provide a monthly visitor use report that may be phoned, faxed or emailed to the Concessions Management Office by the 4th day of each month and followed by the written report form. The Concessions Office will supply the format of the report. The report will include:
- (a) No. of lodging units available.
 - (b) Number of lodging units occupied.
 - (c) Percentage of occupancy.
 - (d) Total guest count.
- (3) *Monthly Asset Monitoring Report*
- The Concessioner will maintain a management information system to document visitor use patterns and impacts. A monthly asset monitoring report will be provided to the Service. The following information will be included in this report. The report will be due to the Park by the 15th day of the following month.
- (a) Financial and Operational Statistics. The Concessioner will provide operational statistics and financial information for each revenue-producing outlet. The statistics and information provided will be in a mutually agreed upon format.
- A status report on projects funded by the Maintenance Reserve
- (b) Visitor Comments. The Concessioner will provide tabulated summaries of all visitor comments to the Park, including a year-to-date tabulation.

(4) *Annual Facilities Improvement Plan*

- (a) Plan will include estimates of timing and costs of implementing projects for the following year, due by April 1st.

(5) *Concessioner Operational Reports by Land Use.* All operational statistics for the individual land uses will be included in the monthly asset management report. An annual summary report will be due 60 days after the end of the year, unless otherwise agreed upon by the Superintendent. This data should be presented in a concise spreadsheet format. Industry specific management software could be operated for each specific land use.

(a) Overnight Lodging

- Rooms available and occupied and average daily room rate
- Market segmentation (i.e. individual leisure, tours, group, conference)
- Total guest count
- Average length of stay
- Turn away demand for days during that month and reasons
- Telephone revenues (in room and fax charges)

(b) Food and Beverage

- Number of covers served by breakfast, lunch, brunch, and dinner by outlet with corresponding revenues
- Number of banquet covers by breakfast, lunch and dinner and corresponding revenues

(c) Merchandising

- Revenue by outlet
- Revenue by merchandise category (i.e. Native American and regional handicraft (see Sec.2.(i)(11), gifts and souvenirs, grocery, apparel

(d) Employee Housing

- Number of beds available and occupied

C) Concessioner Financial Reporting

In addition to the annual financial report ("AFR") required in the contract, the following financial reports will also be required

- (1) *Annual Budget.* A budget including detailed utilization and revenue and expense projections, due by the date specified by the Park.
- (2) *Financial Forecast.* A mid-season financial forecast for each business activity compared to annual budget.
- (3) *Annual Profit and Loss Reports.* An annual Profit and Loss statement will be developed based on currently acceptable accounting practices. Each revenue-

producing department (i.e. lodging, food and beverage, and retail) will have a supporting schedule presenting revenues and cost of goods sold, labor and departmental expenses. The Superintendent will agree upon the report format within 90 days of inception of the contract. This report will be due 120 days after the end of each fiscal year.

D) Summary of Initial and Recurring Due Dates

The following page summarizes the preceding reporting requirements and details other reports, plans, payments, and inspections that will be the responsibility of the Concessioner.

SUMMARY INITIAL AND RECURRING DUE DATES			
Title	Schedule	Due Date	Reference
Initial Requirements			
Balance Sheet	Initial	Within 90 days of the effective date of contract execution	Contract, Sec. 14(c)
Environmental Management Plan	Initial	Within 60 days of the effective date of contract execution	Contract, Sec. 6(b)(1)
Risk Management Plan	Initial/ Annually	Within 60 days of the effective date of contract execution; Updates due by November 30 of preceding year	Operating Plan, Sec. 3, D.7
Merchandise Plan	Initial	To be determined	Operating Plan, Sec. 4, C.2
Annual			
Opening & Closing Dates & Hours of Operation	Annually	To be determined	Operating Plan, Sec. 3, A.1
Management Listing	Annually	March 15	Operating Plan, Sec. 6, B.1.a
Employee Handbook	Annually	All handbooks will be provided 30 days prior to release; updated copies will be provided annually	Operating Plan, Sec. 3, G.6.f
Annual Rate Change	Annually	At least 60 days prior to anticipated implementation dates.	Operating Plan, Sec. 3, B.2
Annual Financial Report	Annually	Not later than 120 days after the last day of the Concessioner's fiscal year	Contract, Sec. 14(b), pg. 29 Operating Plan Sec. 6, C. 4
Repair and Maintenance Reserve Activity Report	Annually	Not later than 120 days after the end of the Concessioner's accounting year	Contract, Sec. 14(c)(2)
Budget	Annually	To be determined	Operating Plan, Sec. 6, C. 1
Financial Forecast	Annually	To be determined	Operating Plan, Sec. 6, C.2
Structural Fire Inspection	Annually	Within 30 days of initial occupancy, annually thereafter	Operating Plan, Sec. 3, D. 3 a
Concessioner Operational Reports	Annually	Not later than 60 days after the end of the calendar year	Operating Plan, Sec. 9, B.
Annual Facilities Improvement Plan	Annually	By April 1 st of the preceding year	Operating Plan, Sec. 9, B. 4
Monthly			
Visitor Use Statistics	Monthly	By the 4 th day of the following month of each month of operation	Operating Plan, Sec. 6 B 2
Franchise Fee	Monthly	By the 15 th day of the following month of each month of operations	Contract, Sec. 11 b Operating Plan
Monthly Asset Monitoring	Monthly	By the 15 th day of the following month of each month of operation	Operating Plan, Sec. 6 B 3
Miscellaneous Reports and Data	As required	The Director from time to time may require the Concessioner to submit other reports and data regarding its performance under the contract or otherwise, including, but not limited to, operational information.	Contract, Sec 15(c)

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BY: Phyllis Prevost

BY: [Signature]

TITLE: Pres

TITLE: SUPERINTENDENT

DATE: 08/11/04

DATE: 8/12/04

ATTENTION

7/2/04

ATTACHMENT A TO APPENDIX B CORE MENU RATE APPROVAL PROCESS

The core menu concept has been developed to provide a more fluid and professional procedure for approving food and beverage rates for park concessioners. In the past the establishment of comparable rates for food and beverage operations required more in-depth analysis by the National Park Service than other services. This was due to the overall complexity and multiple variables that are a part of the food and beverage industry.

In recognition of the cumbersome approach required to properly address the establishment of appropriate menu rates, format and content using the direct comparability (full review) method, the concept of establishing a core menu has been developed as an **option** for use by NPS concessions management officials. The determination to use and/or continue using the core menu method is one that should be determined from consultation and agreement between the park and concessioner. *If factors surface such as the level of agreement between the park and concessioner or other factors considered significant to the overall quality and integrity of the process, the park has the responsibility and authority to divert back to the use of the full review process of rate approval.*

Establishing Comparables

The knowledge of the park staff and concessioner can be utilized to help locate appropriate businesses. These businesses should be located in the same geographic region of the concession facilities. Concessioners may recommend potential comparable facilities/services, however final selection of comparables rests with the park Superintendent.

(a) Selection Factors

Competition is the only selection factor that must be considered and those food establishments being considered as potential comparable must have at least two or more competitors. Special screening and consideration factors, such as similar services, facility and clientele, may also be established by the park to help evaluate the similarities of the establishments being considered.

Parks need to pay special attention to those food establishments that are clustered in an area or location, such as resorts, where demand exceeds availability and rates are higher than those found in more competitive areas.

(b) Collection of Data

Once the comparables are selected, the core menu process permits the development of the core menu. All that is required at this point is the acquisition of the comparable's menus.

Core Menu Development

The basic core menu should be developed before the comparability review is conducted. The core menu is intended to identify those specific food categories and items that are standard on the comparable menus and that should be reflected on the concessioner's menu.

The core menu should be developed locally and should be representative of the needs and expectations of park visitors in that specific area. It should include a predetermined number of popular food and beverage selections. These selections cover food categories such as entrees, (beef, fish, fowl, pork, vegetarian, etc.), beverages, desserts, salads, appetizers, etc. and items that are regionally expected and offered in similar facilities. The basic core menu is established when the above are documented. Core menu application is not appropriate for activities that include food as part of a package deal such as river running, mountain climbing and backcountry operations.

Non-Core Menu Items

After the core menu items have been established, the concessioner is permitted to add additional items to the core menu without the need for a detailed park analysis. However, the rates for these additional items must still be established within the philosophy and concept of comparability and recognition of the market. The concessioner is charged with the responsibility for setting non-core rates consistent with the established comparables. If the park questions rates of non-core menu items, the concessioner should be prepared to justify the rates set and show how the rates were determined.

In situations where the concessioner does not demonstrate reasonable sensitivity to the comparable marketplace, the park has the option to return to the direct full review comparability method of rate approval.

By federal law the National Park Service is required to approve all concessioner services, products and rates. The National Park Service will not normally take any action beyond review and acknowledgement of the non-core menu rates and portions if the concessioner uses a positive approach in establishing sensitive rates. With an appropriate core menu it should not be necessary for the park to be concerned with minor or subtle pricing variations in the remainder of the menu. The core menu meets the NPS responsibility for meeting the requirements of the law by furnishing appropriate rates to the public while providing added flexibility and opportunity for creativity to park concessioners and ease of management to the National Park Service.

Rate Approval Process

Before prices are approved, an approval and agreement of the actual menu format and content must be established to ensure appropriate identification and menu placement of those core items.

The following outlines the details on how to structure and manage food and beverage rate approvals through utilization of the Core Menu Rate process.

A. Type of Food Service

When the rate review is conducted, the type of food service will be identified. Some examples of service types usually found in parks are:

Full Service Restaurants – This category includes restaurants ranging from small casual facilities with limited menus and table service to large formal gourmet operations that offer extensive and elaborate services and menu selections. Often, food service facilities in parks fall between these two extremes and similar comparables should be used. While the comparable or the concessioner may provide singular service types or different food options, it is important that the primary service style and menu be similar. For example, either may offer occasional buffets, seasonal features, traditional selections of the immediate area or package plans in conjunction with lodging or other promotions, but the standard menu and service style should be similar.

Coffee Shops – Usually limited menus/sit down and take-out food service operations.

Cafeteria – This includes operations that permit the customer to view and select from individual a-la-carte items as they pass through a serving line. The items are usually individually priced. A cafeteria usually offers specials that may provide a lower overall price when a set number or selection of items is chosen.

Fast Food & Snack Bar – May be table or counter service/walk up or waited/limited menu/eat-in or take-out.

Gourmet Fine Dining/Specialty/Limited/Ethnic –

Operations that have been established for catering to special food service needs (i.e. special selected and prepared items that may only meet the interests, needs and/or requirements of a small number of the general public). These operations are often located in parks which also offer standard food service; however, there may be a few situations where this may be the only service type offered by the park. A menu item from this type of facility may also be found on the other standard type of menus.

Other Facilities – These can be take out, limited seating and/or prepared food service operations in a setting such as a grocery store, service station, or other environment where prepared food is not the primary product offered.

B. Determine the Core Menu Rates

After the core menu is established as outlined above, the approval of rates should be relatively simple using the originally selected comparables. You may simply average the core menu item rates on the comparable menus and use that average as the approved rate. It is unacceptable to establish rate ranges and then approve only the high-end rates for menu items. The rate review process combined with the core menu concept produces an inventory of similar items at similar prices.

The core menu should also be reviewed to verify that selections of a national interest or expectation and items required for normal health considerations are included. Examples include salads, low calorie/low fat selections, grilled or baked fish and chicken selections, pastas, vegetables, etc. Local and regional selections are usually limited. The comparables menus can be used for approving the special needs and local/regional item rates.

Other items made available outside of the core menu do not usually require a significant level of review, but even with the core menu concept it is still necessary for the National Park Service to grant approval for non-core rates. This approval does not denote anything other than the recognition of the type of items on the menu. This is important to ensure that the configuration of the total menu is acceptable and that the park knows basic data of portions and rates. The additional menu offerings permit the concessioner the opportunity to be innovative. It also provides a reasonable means of merchandising without the need for item by item NPS comparability. It retains the visitor's ability to have a reasonable selection of items (core menu) at comparable rates.

The following sample outlines the Core Menu Rate process for a full-service restaurant. Other types of food service operations may be of a different size and have different types of menus and menu items, but the **Core Menu Rate process should include the following:**

1. Concessioner has requested a rate increase. The concessioner's proposed rates and menu items are a matter of record at this point.

The first step to take is to review the menus of the selected comparable's and identify those **food categories** that are generally found on each. Some specifics that may be included are:

Menu Layout	Other
Appetizers	Children's menus
Salads and soups	Senior citizen menus
A-la-carte items	Alcoholic beverage menus
Entrees	
Sandwiches	
Desserts	
Beverages	

Where applicable, these categories will be included for each meal period being reviewed (breakfast, lunch, and dinner).

2. Next, review the menus of the established comparables and identify those **food types** that are made available by most of the comparables (fish, fowl, pork, beef, pastas, diet, etc). Confirm that similar food types are on the core menu.

3. After establishing the food types then you need to identify the actual **food items** in the core menus. These items are routinely found on the majority of the comparable menus. Some portion sizes and special feature information should be collected for general reference. Other than those items that are typically described at a certain portion size on the menu (meats and some beverages) the approval of core and non-core items do not have to be tied to specific portions. The concessioner should have some leeway, especially on side dishes, to be creative in presentations and combinations. Adequate portion sizes must be provided by the concessioner. Failure on the part of the concessioner to provide reasonable portioning will result in an "A" deficiency on the operational periodic review.

The following listings reflect examples of food items that are found on most menus for each meal.

Attention should be given to selections of national interest or expectation and items necessary to satisfy normal health considerations. These should be included on the core menu even if not found on the comparable menus.

The last food item(s) to be added to the core menu are those items that are considered local or regional or those that meet the park's theme. There are usually only a few items of this type. While desirable, these items are not essential. They may be represented as a part of the non-core menu development by either the concessioner or the park.

Breakfast:

Juice (selection of two to three)
Eggs (Any Style) Grade A-Large
Bacon (three strips) or Sausage (two patties)
Grits or Potatoes
Toast or Biscuits
6" Pancakes (two to three)

A-La-Carte
Hash Browns
Grits
Order of Toast (2-slices) w/butter/jam
Bacon (3 slices)
Coffee (Decaf or Regular)

Lunch:

Soup (8 oz cup/12 oz. Bowl)
Garden Salad (1 to 1.5 cups mixed greens, tomato, onion, etc.)
Hamburger (6 oz.) (lettuce, tomato, onion, mayonnaise, etc. on sesame seed bun) served with fries
Fish Sandwich (5 oz. Natural filet) (lettuce, tomato, onion, mayonnaise, etc. on sesame seed bun)/served with fries (4 oz.)
Dessert
Soft Drink

Dinner:

Fried Mushrooms (4 oz.)
Soup (8 oz. cup /12 oz. bowl)
Garden Salad (1-1.5 cups mixed greens, tomato, onion, etc.)
Tuna Salad (6 oz. Tuna on mixed greens w/tomato and egg slices
Strip Steak (12 oz. USDA Choice), served with choice of potato, garden salad, bread/butter
Dessert
Soft Drinks (12 oz. Free refills) (both regular and diet)

Summary:

If the procedures outlined above are followed, park visitors will be provided with a selection of food items at reasonable prices guided by both the comparability process and market place consistent with public law

ATTACHMENT B

PARKWAY INN, INC.

SCHEDULE - III.
SECTION - C.
DATE: January, 2003

METHOD OF RATE APPROVAL - Rate Study Review
Revision - N/A

LODGING					
	CURR RATE	RATE INC REQ	AMT OF INC	% OF INC	APPR RATE
	2001	2003			2003
STANDARD ROOMS					
Single & Double	75.00	79.91	4.91	6.5%	80.00
DELUXE ROOMS					
Single & Double	87.00	91.32	4.32	5.0%	90.00
OTHER RATES					
Extra Person	6.00	10.00	4.00	66.7%	8.00
Children (12 and under)	Free	Free			Free
Roll-a-way	6.25	10.00	3.75	60.0%	8.00
Crib	Free	Free			Free
SUITES					
Pisgah Room	125.00	125.00	0.00	0.0%	130.00
GOVERNMENT ROOM RATES (*)					
Single & Double (Includes tax)	55.00	55.00	0.00	0.0%	55.00
OTHER					
MOVIE RENTAL:					
One movie w/equipment.	6.99	6.99	0.00	0.0%	6.99
Unlimited movies w/equipment.	9.99	10.99	1.00	10.0%	9.99
(Rates for movie rentals are to be provided in the "visitor information" booklet.)					
FAX SERVICES:					
Outgoing - First Page	1.00	1.00	0.00	0.0%	1.00
Outgoing - Additional Pages	0.50	0.50	0.00	0.0%	0.50
Incoming - Up to five pages.	1.00	1.00	0.00	0.0%	1.00
Incoming - Over five pages (each).	0.50	0.50	0.00	0.0%	0.50
LATE CHECKOUT CHARGES					
Up to 1:00 pm	Free	Free	0.00		Free
1:00 pm to 2:00 pm	20.00	20.00	0.00	0.0%	20.00
2:00 pm to 3:00 pm	1/2 rate	1/2 rate	0.00		1/2 rate
(Rates for late check-outs are to be provided in the visitor information" booklet. A space providing this information on the guest register log should also be made available for the guest to be advised and for them to initial at check in.)					

PARKWAY INN, INC.

SCHEDULE - III.

SECTION - C.

DATE: January, 2003

**METHOD OF RATE APPROVAL - Rate Study Review
Revision - N/A**

NOTES:

1. Rates do not include sales taxes imposed by County, State, and Federal governments.

2. Approved rates are to remain in effect until changes are approved by the National Park Service.

3. Check-out time is 11:00 am and check-in is 3:00 pm.

4. Handicapped accessible rooms will be held as the last available rooms, including advance reservations. They are to be rented at the standard room rate when a "Standard" handicapped accessible room is requested. If they are the only rooms remaining unrented, they may then be rented at the higher (remodeled) rate when desired by non-handicapped persons. One of the three handicapped accessible rooms are to be smoking and the other two designated as non-smoking.

Smoking Rooms - It is approved to reduce the number of smoking rooms. Smoking rooms will now be #201 (Pisgah Room), #211 & #111 (deluxe rooms), #117 (deluxe handicapped room), and #225 - #224 - #125 & #124 (standard rooms). All other rooms will be designated as non-smoking.

5. An amenities package will be included in each room. As a minimum, it will include two small bars of face soap, a large bath bar of soap and shampoo. A sign should be placed in each accommodation advising visitors of other available items at the desk.

6. Twenty-four (24) hour visitor assistance must be available.

7. Cancellation & Administrative Policy

PISGAH INN CANCELLATION POLICY

48 HOUR CANCELLATION POLICY

Cancellations made less than forty-eight (48) hours prior to the confirmed arrival date (check-in time) of a reservation is subject to forfeiture of the room deposit (one nights stay). The exception to forfeiture of the deposit will be when it can be demonstrated that a legitimate emergency (i.e., accident, death or illness in the family, automobile trouble, etc.) necessitated the cancellation or if the room is rented to another guest. The administrative fee (\$15.00), discussed later in this approval, can be assessed against the cancellation should the cancellation be based on an emergency or if the room is rented to another guest.

PARKWAY INN, INC.

SCHEDULE - III.

SECTION - C.

DATE: January, 2003

TWO (2) WEEK CANCELLATION ADMINISTRATIVE FEE

METHOD OF RATE APPROVAL - Rate Study Review

Revision - N/A

An Administrative Fee in the amount of \$15.00 may be assessed for cancellations made less than two weeks from the confirmed arrival date (check-in time).

NOTES TO CANCELLATION POLICY:

1. This program can be revoked by the Blue Ridge Parkway
2. All reservations, except those where a written confirmation cannot be supplied due to the short period of time between when the reservation is made and the date the reservation is for, are to be confirmed in writing with all terms and conditions of the "Two Week Cancellation Administrative Fee" and "48 Hour Cancellation Policy" included on the confirmation.
3. All terms and conditions of the "Two Week Cancellation Administrative Fee" and "48 Hour Cancellation Policy" are to be provided verbally to each person making a reservation by phone at the time the reservation is made.
4. Any advertising and/or rate sheets that contain information about rooms must contain information clearly outlining the "Two Week Cancellation Administrative Fee" and "48 Hour Cancellation Policy."
5. A waiting list will be maintained for up to three persons requesting reservations at times reservations are all booked. These persons will be offered the opportunity to book the reservation in the order the requests are received if a cancellation occurs.

The following language is to be included on all rate sheets, confirmation notices, and other publications or advertisements when rates are provided.

CANCELLATION POLICY (Per Room):

A fee is charged of \$15.00 for cancellations made two weeks or less from the arrival date or one night's deposit for cancellations made 48 hours or less from the arrival date.

If the above cannot be applied using the two colors, the entire message should be added as red. Yellow highlight will be acceptable until this item is reprinted.

- Government Rate - Discount to federal employees conducting official business and approved by the Superintendent.

DATE: _____

APPROVED BY: _____

PARKWAY INN, INC.

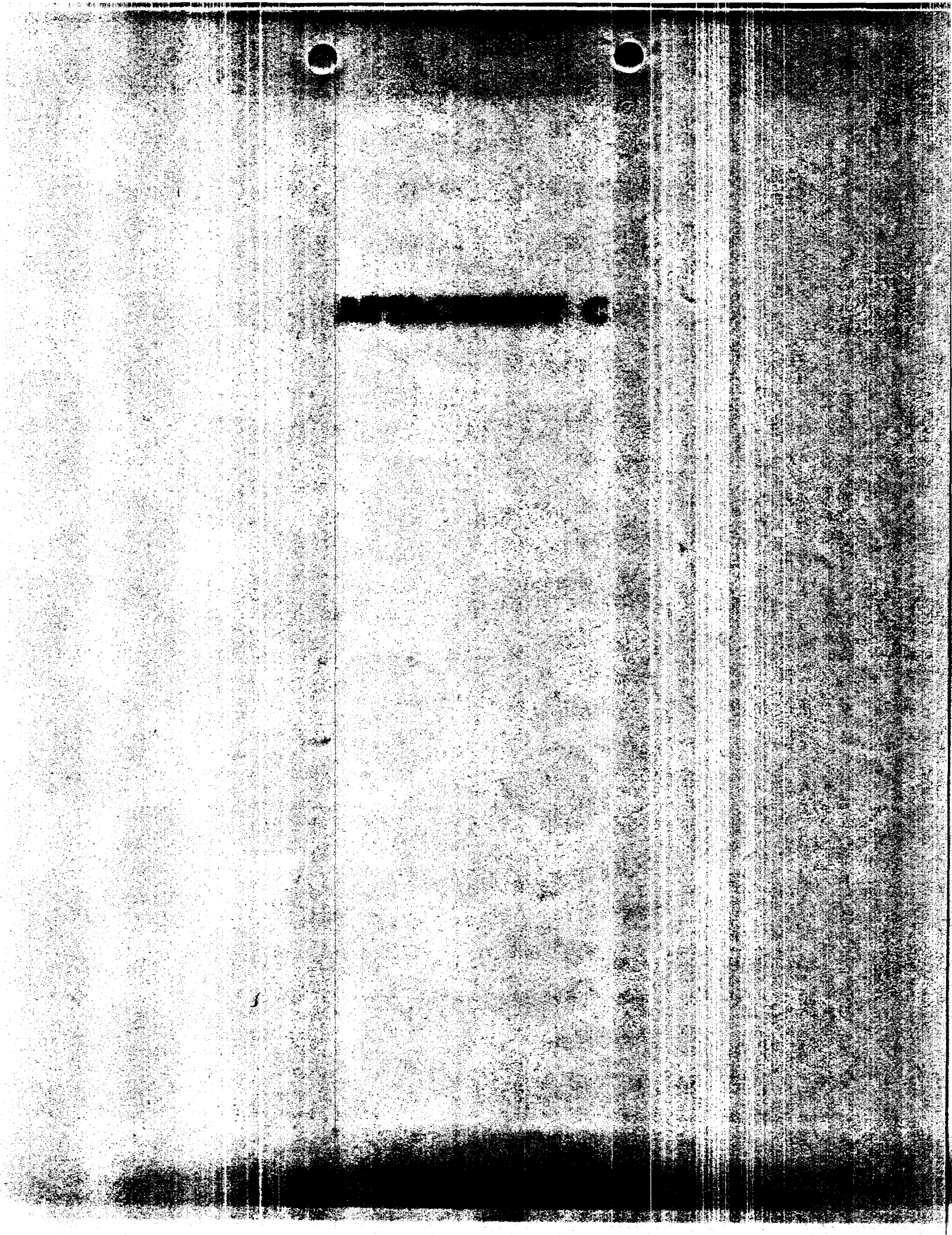
SCHEDULE - M.

SECTION - C.

DATE: January, 2003

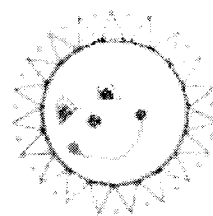
METHOD OF RATE APPROVAL - Rate Study Review
Revision - N/A

Superintendent
Blue Ridge Parkway





Good Mountain Morning Pisgah Inn Breakfast



Fruits, Pastries, and Breads

Fresh Melon in Season	\$2.25	Blueberry Muffins	\$1.50
Fresh Strawberries	\$2.75	Buttery Croissant	\$1.75
Half Fresh Grapefruit	\$1.50	Toasted Bagel with butter	\$1.50
Danish Pastry	\$1.75	Toast with butter & jelly	\$1.50
Homemade Biscuits	\$1.50	Bagel with Cream Cheese	\$1.95

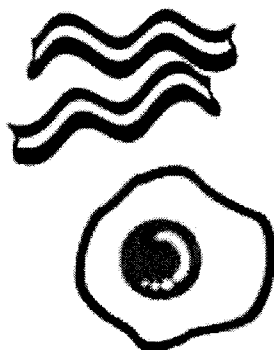
Full Breakfasts

Two eggs, Homefries or Grits,

Toast or Biscuits

\$2.95

or with your choice of



Bacon	\$4.75
Breakfast Steak	\$6.50
Fresh Mountain Trout	\$9.95
Sugar Cured Ham	\$4.95
8 oz. Ribeye Steak	\$8.95
Twin Pork Chops	\$7.95
Sausage	\$4.75
Country Ham	\$7.95

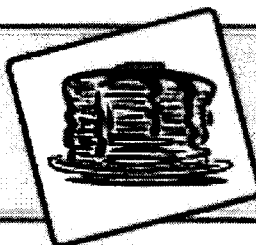


Omelettes

Western Omelette \$6.95 Cheese Omelette \$5.95

Omelettes served with Homefries or Grits, Toast or Biscuits

Stack of Pancakes
served with butter and syrup
Bacon or Sausage
\$4.95



French Toast
served with butter and syrup
Bacon or Sausage
\$5.25

à la Carte/Sides/Beverages

Sausage or Bacon	\$2.00	Biscuits & Gravy	\$2.25
Sugar Cured Ham	\$2.75	Hot Oatmeal	\$1.75
Country Ham	\$4.75	Scalloped Apples	\$1.50
Homefries or Grits	\$1.15	French Toast	\$3.50
Cold Cereals	\$1.70	Stack of Pancakes	\$3.50



Coffee, Iced Tea, Decaf, Milk, Hot Tea, Sodas (free refills on all beverages)
Fruit Juices Lg. \$1.85 Sm. \$1.35

\$1.25





Pisgah Inn Lunch

SOUPS AND APPETIZERS



French Onion Soup \$ 3.75

Smothered with selected cheese

Soup Du Jour cup \$ 2.75, bowl \$ 3.50

Always Homemade and Hearty

Smoked Trout Fillet \$ 6.95

Served with Capers, Red Onion, Crouton and Dill Sauce

Fried Chicken Tenders \$ 4.95

Served with Honey Mustard

Fresh Fruit Cocktail \$ 2.75

Seasonal Fresh Fruits and Berries

Mozzarella Sticks \$ 4.95

Served with Marinara Sauce

Deep Fried Mushrooms \$ 4.95

Served with Ranch Dip

BURGERS



All American Burger \$ 5.25

With Cheddar \$ 5.75

With Bacon and Swiss \$ 6.25

Veggie Burger \$ 5.95

For the non-meat eater

Fish Fillet Sandwich \$ 5.25

Delicate fillet of white fish

Chicken Fillet Sandwich \$ 5.50

Deep fried boneless breast

Traditional Reuben Sandwich \$ 6.50

Corned Beef, Sauerkraut, Swiss, 1000 Island, Grilled on Rye

Monte Cristo Sandwich \$ 6.95

Ham, Turkey, Swiss & Cheddar, Dipped in a light egg wash and grilled. Served warm with marmalade.

Sandwich of the Day \$ 3.95

with Potato Chips and Pickle

with Soup, Salad, or French Fries and Pickle \$ 4.75

Chicken Parmesan Sandwich \$ 6.95

Smothered in mozzarella cheese with marinara sauce

Grilled Chicken Sandwich \$ 6.50

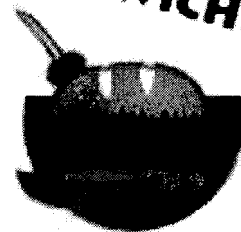
Marinated 6 oz. boneless and skinless breast of chicken

With Bacon and Cheese \$ 6.95

All Sandwiches and Burgers served with French Fries and appropriate condiment

Coffee, Tea, Milk, Soft Drinks (free refills on all beverages) \$ 1.25

SANDWICHES



Chef's Salad \$ 6.25
Mixed greens with ham, turkey, shredded cheddar and jack cheeses, egg, and veggies. Choice of dressing.

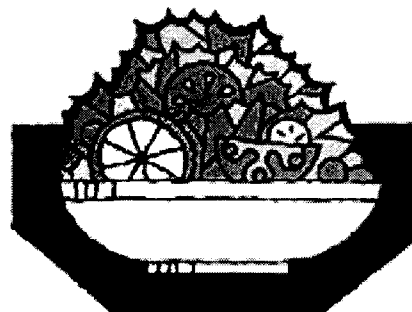
House Salad \$ 2.95
Mixed greens with veggies. Your choice of dressing.

Cottage Cheese and Fruit Plate \$ 5.95
Cottage Cheese surrounded with seasonal fresh fruit and berries.

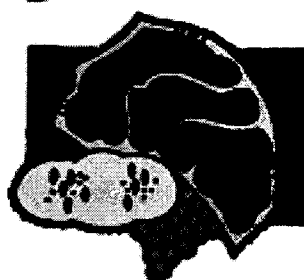
Grilled Shrimp Salad \$ 7.95
Shrimp on a skewer. Grilled and served over a bed of mixed greens. Your choice of dressing.

Grilled Chicken Salad \$ 6.95
Marinated skinless chicken breast, grilled and served over a bed of mixed greens. Your choice of dressing.

SALADS



MAIN COURSES



Twin Center Cut Pork Chops \$ 7.95
Grilled and served with scalloped apple

10 ounce Ribeye Steak \$ 9.95
Cut from USDA Choice Beef in our kitchen

10 ounce Ground Sirloin Steak \$ 8.50
Served with mushroom gravy

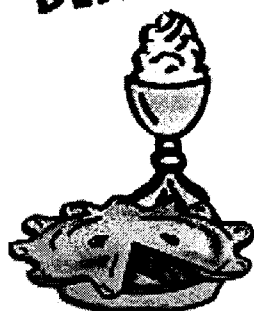
Half Fried Chicken \$ 7.75
The Inn's own recipe. Golden and Crusty

Fresh Mountain Trout \$ 9.95
A Pisgah Inn specialty. Filleted at your table upon request. Baked in Lemon Butter or Charbroiled.

Country Ham Steak \$ 8.75
Center cut, boneless, may be too salty for some.

All main courses served with potato, vegetable, salad, and roll

DESSERTS



Ice Creams & Sherbets \$ 2.50

Assorted Cobblers \$ 2.25

Assorted Pies \$ 2.75

à la mode extra .70

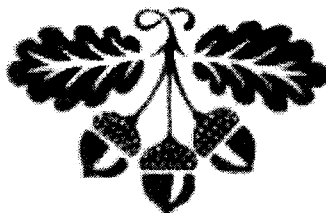
Homemade Cheesecake \$ 3.50

with topping \$ 3.95

French Chocolate Silk Pie \$ 4.00

with almonds, strawberries & ice cream \$ 5.50

Coffee, Decaf, Tea, Milk, Soft Drinks (free refills on all beverages) \$ 1.25



Appetizers

Fresh Fruit Cocktail

An assortment of seasonal fresh fruits and berries.

\$2.95

Soup Du Jour

A hearty, homemade soup, prepared daily.

\$2.75

French Onion Soup

Thick with onions and sealed with selected cheeses.

\$3.95

Smoked Trout Fillet

*Local Mountain Trout, filleted and smoked over hickory.
Served with capers, red onion and a sour cream dill sauce.*

\$6.95

Sautéed Mushrooms

Fresh mushrooms, sautéed with garlic, shallots, tarragon, and parsley. Finished with Cream Sherry.

\$4.95

Fried Chicken Tenders

Deep Fried boneless chicken tenders. Served with honey mustard for dipping.

\$4.95

Mozzarella Sticks

Creamy Mozzarella, lightly breaded and deep fried. Served with marinara for dipping.

\$4.95

Breaded Fried Mushrooms

Lightly breaded whole mushrooms, deep fried and served with Ranch sauce for dipping.

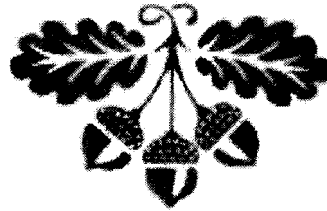
\$4.95

Friday and Saturday Nights

We proudly feature Roast Prime Rib of Beef

10 ounce \$13.95

14 ounce \$15.95



We invite you to enjoy a selection from our "Front Page" nightly features,
our chef's delight in creating varied and unique items to tempt your culinary curiosity.

Main Courses

Fresh Mountain Trout \$11.95

*A Pisgah Inn Specialty. Served baked in lemon butter, or charbroiled,
and filleted tableside (or in kitchen upon request).*

Chopped Beef Steak \$8.95

A full 10 ounces of USDA Choice lean beef, charbroiled and served with mushroom sauce.

Ribeye Steak 10 oz. \$10.95 / 14 oz. \$13.75

Hand trimmed in our kitchen. This USDA choice Ribeye is charbroiled to your specification.

Filet Mignon \$18.50

*Eight ounces of USDA Choice Beef Tenderloin. Hand cut daily in our kitchen.
Charbroiled to your order. Allow extra time for well done.*

Half Fried Chicken \$9.75

The Inn's own recipe, specially seasoned and deep fried to a golden brown.

Chicken Cordon Bleu \$11.95

*A Boneless, skinless breast of chicken, stuffed with imported ham and swiss cheese.
Lightly breaded and oven baked. Topped with a white wine cream sauce.*

Twin Country Ham Steaks \$9.95

*A pair of man-sized, boneless Country ham steaks, grilled.
This ham is a regional dish and may be too salty for some tastes.*

Salmon Fillet \$10.95

A delicate fillet of Salmon, grilled and served with a lemon butter.

*All entrées are served with a house salad, fresh vegetable, potato or rice,
rolls and butter.*

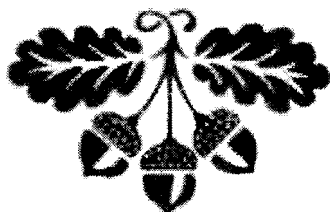
Pisgah Inn's Famous Fettucini \$10.95

*A platter of steaming Fettucini tossed with grilled chicken strips, fresh spinach, tomatoes,
and mushrooms in a garlic butter sauce.*

Vegetarian Fettucini \$8.95

A platter of steaming Fettucini tossed with fresh vegetables and homemade marinara sauce.

Our pasta dishes are served with a house salad, homemade rolls and butter.



Sandwiches and Salads

All American Burger	\$5.25
with Cheddar	\$5.75
with Bacon and Swiss	\$6.50
Fried Chicken Breast Sandwich	\$5.50
Fried Fillet of Fish Sandwich	\$5.25
Grilled, Marinated Chicken Breast Sandwich	\$6.50
with Bacon & Cheddar	\$6.95
Veggie Burger	\$5.95

*All our sandwiches are topped with lettuce, tomato and red onion,
and are served with french fries and a kosher dill pickle.*

Sandwich of the Day	
Served with choice of Soup, Salad, or Fries	\$4.75
Served with Potato Chips	\$3.95
House Salad	\$2.95
Chef's Salad	\$6.50
Cottage Cheese and Fruit	\$5.95
Grilled Chicken Salad	\$6.95
Grilled Shrimp Salad	\$7.95

Desserts

Homemade Fruit Cobbler	\$2.25
with ice cream	\$2.95
Assorted Pies	\$2.75
with ice cream	\$3.45
Ice Cream or Sherbet	\$2.50
Homemade Cheesecake	\$3.50
with fresh strawberries	\$3.95
French Chocolate Silk Pie	\$4.50
with Almonds, Ice Cream & Strawberries	\$5.50

Beverages

Coffee, Tea, Milk, Soft Drinks (free refills on all beverages)	\$1.25
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~ Champagnes and Sparkling Wines ~

Bin #		Bottle
320	Möet & Chandon White Star (France)	\$59.00
321	Mumm Cuvee Napa Brut Prestige (Napa Valley)	\$36.00
322	Domaine Ste. Michelle Brut (Washington)	\$19.00

~ White Wines ~

Chardonnay

323	Kendall-Jackson Vintner's Reserve Chardonnay - (California)	\$22.00
324	Estancia Pinnacles Chardonnay (Monterey County)	\$20.00
325	Clos Du Bois Chardonnay (Sonoma County)	\$19.00
326	Fetzer Sundial Chardonnay (California)	\$17.00
327	Columbia Crest Chardonnay (Washington)	\$15.00
328	Lindemans Chardonnay (Australia)	\$14.00

Sauvignon Blanc

329	Rodney Strong Charlotte's Home Vineyard Sauvignon Blanc (Northern Sonoma)	\$19.00
330	Clos Du Bois Sauvignon Blanc (Sonoma County)	\$18.00

Other White and Blush Wines

331	Chateau Ste. Michelle Johannisberg Riesling (Washington)	\$17.00
332	Schmitt Söhne Blue Riesling (Germany)	\$16.00
333	Cavit Pinot Grigio (Italy)	\$14.00
334	Beringer White Zinfandel (California)	\$12.00

~ Red Wines ~

Cabernet Sauvignon

335	Estancia Cabernet Sauvignon (California)	\$26.00
336	Bonterra Cabernet Sauvignon (North Coast)	\$23.00
337	Robert Mondavi Coastal Cabernet Sauvignon (North Coast)	\$21.00
338	Columbia Crest Grand Estate Cabernet Sauvignon (Washington)	\$19.00
339	Beringer Founders' Estate Cabernet Sauvignon (North Coast)	\$17.00

Merlot

340	Rodney Strong Merlot (Sonoma County)	\$25.00
341	Sterling Vintner's Collection Merlot (Central Coast)	\$20.00
342	Meridian Merlot (California)	\$18.00
343	Fetzer Eagle Peak Merlot (California)	\$17.00
344	Lindemans Merlot (Australia)	\$14.00

Pinot Noir

345	Rodney Strong Pinot Noir (Russian River Valley)	\$26.00
346	Anapamu Pinot Noir (California)	\$19.00

Other Red Wines

347	Banfi Chianti Classico Riserva (Italy)	\$24.00
348	Rosemount Shiraz (Australia)	\$20.00
349	Georges Duboeuf Beaujolais Villages (France)	\$15.00

~ Biltmore Estate Wines ~

350	Biltmore Estate Chardonnay	\$17.00
351	Biltmore Estate Cabernet Sauvignon	\$18.00
352	Biltmore Estate Merlot	\$18.00
353	Biltmore Estate White Zinfandel	\$14.00

~ Wines by the Glass ~

Kendall-Jackson Vintner's Reserve Chardonnay (California)	\$6.25
Columbia Crest Chardonnay (Washington)	\$5.00
Clos Du Bois Sauvignon Blanc (Sonoma County)	\$5.00
Cavit Pinot Grigio (Italy)	\$4.50
Chateau Ste. Michelle Johannisberg Riesling (Washington)	\$5.00
Beringer White Zinfandel (California)	\$4.00
Columbia Crest Grand Estate Cabernet Sauvignon (Washington)	\$5.50
Meridian Merlot (California)	\$5.50
Rosemount Shiraz (Australia)	\$5.50

~ House Wines by the Glass ~

Livingston Cellars	\$3.50
Chardonnay, Cabernet Sauvignon, Merlot, White Zinfandel	

~ Beer List ~

Craft & Imported Beers - \$3.00

Sierra Nevada Pale Ale	Bass Ale
Guinness Stout	Red Stripe
Highland Gaelic Ale	

Domestic Beers - \$2.50

Budweiser	Bud Light
Michelob	Michelob Light
Miller Lite	O'Doul's

EXHIBIT C

NONDISCRIMINATION

Section I: Requirements Relating to Employment and Service to the Public

A. EMPLOYMENT

During the performance of this CONTRACT the Concessioner agrees as follows:

- 1) The Concessioner will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or disabling condition. The Concessioner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disabling condition. Such action shall include, but not be limited to, the following: Employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Concessioner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary setting forth the provision of this nondiscrimination clause.
- 2) The Concessioner will, in all solicitations or advertisements for employees placed by on behalf of the Concessioner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.
- 3) The Concessioner will send to each labor union or representative of workers with which the Concessioner has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Secretary, advising the labor union or workers' representative of the Concessioner's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) Within 120 days of the commencement of a contract every Government contractor or subcontractor holding a contract that generates gross receipts which exceed \$50,000 and having 50 or more employees shall prepare and maintain an affirmative action program at each establishment which shall set forth the contractor's policies, practices, and procedures in accordance with the affirmative action program requirement.
- 5) The Concessioner will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 6) The Concessioner will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the Concessioner's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- 7) In the event of the Concessioner's noncompliance with the nondiscrimination clauses of this CONTRACT or with any of such rules, regulations, or orders, this CONTRACT may be canceled, terminated or suspended in whole or in part and the Concessioner may be declared ineligible for further Government concession contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 8) The Concessioner will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Concessioner will take such action with respect to any subcontract or purchase order as the Secretary may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Concessioner becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Secretary, the Concessioner may request the United States to enter into such litigation to protect the interests of the United States.

B. CONSTRUCTION, REPAIR, AND SIMILAR CONTRACTS

The preceding provisions A(1) through A(8) governing performance of work under this CONTRACT, as set out in Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, shall be applicable to this CONTRACT, and shall be included in all contracts executed by the Concessioner for the performance of construction, repair, and similar work contemplated by this CONTRACT, and for that purpose the term "CONTRACT" shall be deemed to refer to this instrument and to contracts awarded by the Concessioner and the term "Concessioner" shall be deemed to refer to the Concessioner and to contractors awarded contracts by the Concessioner.

C. FACILITIES

(1) Definitions: As used herein:

- a) Concessioner shall mean the Concessioner and its employees, agents, lessees, sublessees, and contractors, and the successors in interest of the Concessioner;
- b) Facility shall mean any and all services, facilities, privileges, accommodations, or activities available to the general public and permitted by this agreement.

(2) The Concessioner is prohibited from:

- a) publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin, or disabling condition;

- b) discriminating by segregation or other means against any person.

Section II: Accessibility

Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978, requires that action be taken to assure that any "program" or "service" being provided to the general public be provided to the highest extent reasonably possible to individuals who are mobility impaired, hearing impaired, and visually impaired. It does not require architectural access to every building or facility, but only that the service or program can be provided somewhere in an accessible location. It also allows for a wide range of methods and techniques for achieving the intent of the law, and calls for consultation with disabled persons in determining what is reasonable and feasible.

No disabled person shall, because a Concessioner's facilities are inaccessible to or unusable by disabled persons, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance or conducted by any Executive agency or by the U.S. Postal Service.

A. DISCRIMINATION PROHIBITED

A Concessioner, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of a disability:

- 1) Deny a qualified disabled person the opportunity to participate in or benefit from the aid, benefit, or service;
- 2) Afford a qualified disabled person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
- 3) Provide a qualified disabled person with an aid, benefit, or service that is not as effective as that provided to others;
- 4) Provide different or separate aids, benefits, or services to disabled persons or to any class of disabled persons unless such action is necessary to provide qualified disabled persons with aid, benefits, or services that are as effective as those provided to others;
- 5) Aid or perpetuate discrimination against a qualified disabled person by providing significant assistance to an agency, organization, or person that discriminates on the basis of disability in providing any aid, benefit, or service to beneficiaries of the recipient's program;
- 6) Deny a qualified disabled person the opportunity to participate as a member of planning or advisory boards; or
- 7) Otherwise limit a qualified disabled person in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service.

B. EXISTING FACILITIES

A Concessioner shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by disabled persons. This paragraph does not require a Concessioner to make each of its existing facilities or every part of a facility accessible to and usable by disabled persons.

EXHIBIT D
ASSIGNED LAND AND REAL PROPERTY IMPROVEMENTS
(CONCESSION FACILITIES)

LAND ASSIGNED:

The location points listed below are shown in numerical order as points which can be identified on the enclosed land assignment map. The map depicts the boundaries of the land being assigned to the Concessioner.

Location Points:

- #1 Parkway road edge (Parkway left) 30 feet south of the entrance to the kitchen service entrance road.
- #2 Parkway road edge (Parkway left) at the point it meets the right side (looking southeast) of the access road leading to the water tank and employee quarters.
- #3 Fire hydrant located just off the access road edge at the 90-degree left curve where the road turns north toward the water tank.
- #4 Fire hydrant located approximately 50 feet from the northeast corner of Motel Unit "C".
- #5 Point thirty feet southeast of the northeast corner of Motel Unit "C".
- #6 Point thirty feet southeast of the southern corner of Office / Motel Unit "A"
- #7 Point thirty feet southeast of the southern corner of the dining room ("Café").
- #8 Point thirty feet southeast of the mountain view side of the loop road.

Assignment:

- Running the Parkway road edge ("Parkway left") from Point #1 north on the Parkway to Point #2
- Running the right edge of the access road (looking southeast) to Point #3
- A straight line between Point #3 and Point #4.
- A straight line between Point #4 and Point #5.
- A straight line between Point #5 and Point #6.
- A straight line between Point #7 and Point #8.
- A straight line between Point #8 and Point #1.

REAL PROPERTY IMPROVEMENTS ASSIGNED:

The following real property improvements are assigned to the concessioner for use in conducting its operations under this CONTRACT:

Building Number	Description	Area (sq. ft.)	Insurance Full Replacement Costs as of July 2003
241A	Commercial Building	8,134	\$1,949,720
241B	Building A	3,638	\$519,575
242	General Store	1,956	\$129,720
495	Building B	9,479	\$1,327,724
564	Maintenance Shop	1,560	\$103,147
754	Building C	8,900	\$1,246,623
816	Dorm 1	1,460	\$167,759
817	Dorm 2	1,863	\$211,305
818	Dorm 3	1,863	\$211,305
827	Dorm 4	1,863	\$211,305
Total Cost:		40,716	\$6,078,183

Dated on this 12th day of August 2004.

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICEBY: Phyllis PrevostBY: Samuel W. SmithTITLE: Pres

TITLE: SUPERINTENDENT

DATE: 08/11/04DATE: 8/12/04

REAL PROPERTY IMPROVEMENTS ASSIGNED:

The following real property improvements are assigned to the concessioner for use in conducting its operations under this CONTRACT:

Building Number	Description	Area (sq. ft.)	Insurance Full Replacement Costs as of July 2003
241A	Commercial Building	8,134	\$1,949,720
241B	Building A	3,638	\$519,575
242	General Store	1,956	\$222,925
495	Building B	9,479	\$1,327,724
564	Maintenance Shop	1,560	\$103,147
754	Building C	8,900	\$1,246,623
816	Dorm 1	1,460	\$167,759
817	Dorm 2	1,863	\$211,305
818	Dorm 3	1,863	\$211,305
827	Dorm 4	1,863	\$211,305
Total Cost:		40,716	\$6,171,388

Map 1 -

Map 1 - Site Plan

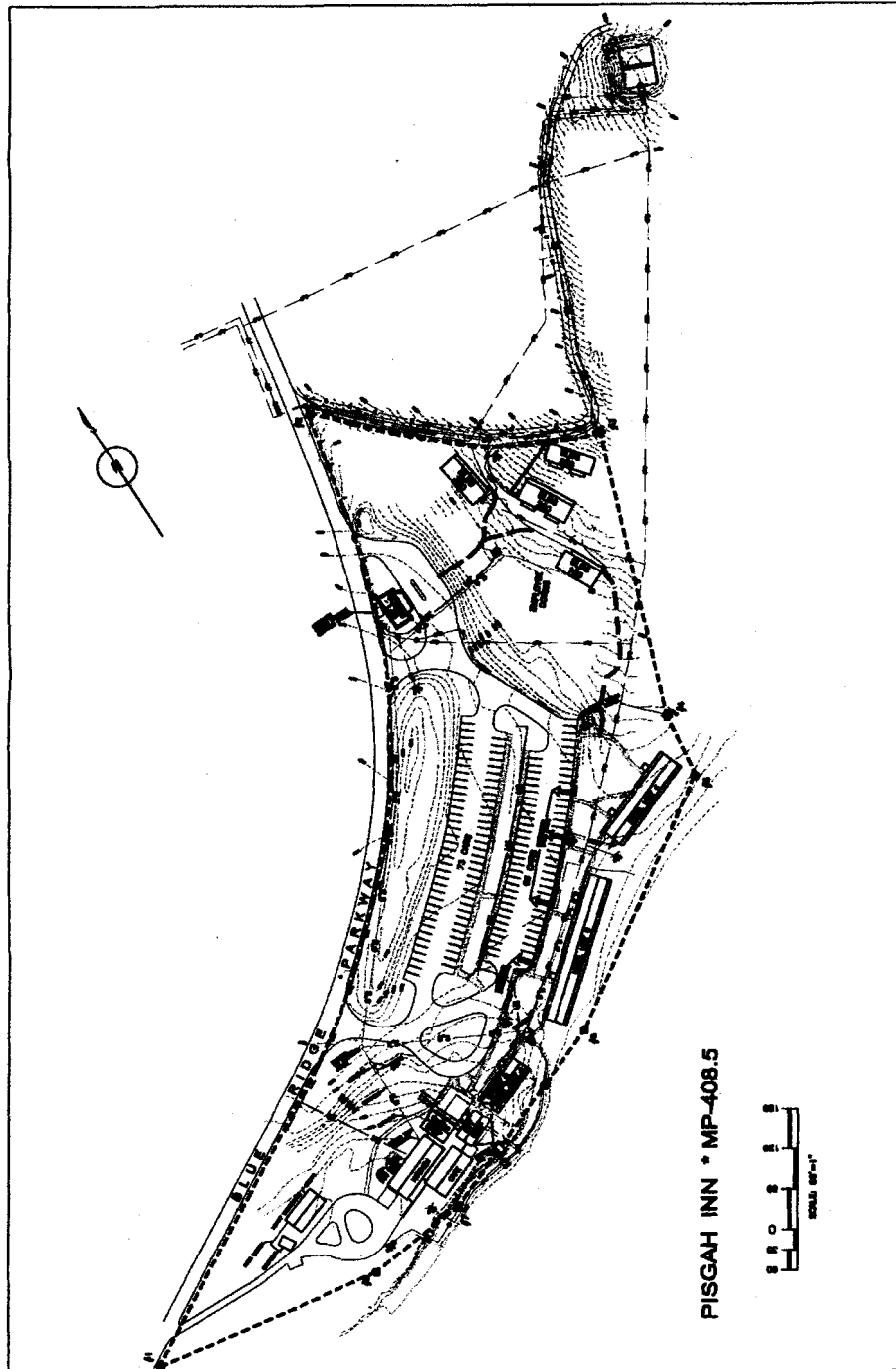


EXHIBIT E
ASSIGNED GOVERNMENT PERSONAL PROPERTY

Government personal property is assigned to the Concessioner for the purposes of this CONTRACT as follows:

Property Number	Description of Item
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None

Effective this 12th day of August, 2004.

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BY: Phyllis Prevost

BY: [Signature]

TITLE: Pres

TITLE: SUPERINTENDENT

DATE: 08/11/04

DATE: 8/12/04

EXHIBIT F

CONCESSIONER CONSTRUCTION, MAJOR REHABILITATION, AND REPAIR AND MAINTENANCE PROJECT PROCEDURES

A. Introduction

This exhibit presents step-by-step procedures for the administration of Concessioner building projects (construction, major rehabilitation, and repair and maintenance projects) within the park Area. Important terms are defined first. Project planning and design are presented second, guidelines for project supervision are presented third. All projects undertaken by the Concessioner require a coordinated effort between the Concessioner and the Superintendent. This exhibit applies to the building of new structures or facilities, major rehabilitations, and the repair and maintenance ("R&M projects") of existing Concession Facilities that change the nature, appearance or value of existing Concession Facilities. Rehabilitation projects that are not major rehabilitations as defined in the Contract are considered as R&M projects. Facility operations, custodial and preventive maintenance and maintenance needed for facility operations are not considered R&M projects subject to these procedures. Repair and maintenance is also not to be considered as a project subject to these procedures when the activity does not change the nature, appearance or value of existing Concession Facilities. All projects must be proposed, approved, and accomplished under these procedures. In the event of any inconsistency between this exhibit and the main body of this CONTRACT and Exhibit A, the main body of the CONTRACT and Exhibit A will prevail.

In accordance with the Contract, only certain new construction and major rehabilitation projects may qualify for leasehold surrender interest (LSI). Following these administrative procedures for all projects will enable the NPS to approve LSI in accordance with these contract terms.

In addition, these procedures will enable the appraisal of LSI to occur in an orderly way. The documentation collected and organized by the use of these guidelines will provide a record of decision or "paper trail" of project development and implementation that will assist the park and concessioner in future planning and facility appraisal.

All project activities shall be directed and managed as presented in the "Annual Construction and Repair and Maintenance Management Plan" (CMP). In addition to these activities, the CMP is also to present scheduled project development and implementation, as presented below under Item C, Project Planning and Design, paragraph 1. Individual projects included in the CMP will be authorized by NPS through an approved Project Statement (PS).

Projects may be required to be reviewed under the National Environmental Policy Act (NEPA) of 1969, as amended. Projects within historic and culturally significant areas may require certain building management methods established under the National Historic Preservation Act of 1966, as amended. All construction shall comply with codes and building requirements adopted by NPS, including without limitation and where applicable, the most recent International Building

Code (IBC), National Fire Protection Association (NFPA) codes, the Americans with Disabilities Act (ADA) requirements, the Historic Preservation Act of 1966, and NPS management policies.

The Concessioner is responsible for all aspects of project development and implementation. The role of the NPS is to provide direction, authorization and oversight. The Concessioner and the Park staff must work closely together to successfully complete construction projects in a manner that achieves the goals and objectives of the park Area and the NPS.

B. Definition of Terms

“Annual Construction and Repair and Maintenance Management Plan” (CMP): A written document presenting all construction, major rehabilitation and R&M projects to be undertaken by the Concessioner during the following calendar year after the final submittal date.

“Approved Project Documents”: Project drawings and specifications approved by the Park Superintendent and used by the Concessioner to direct a contractor in the type, size and quality of projects.

“Change Order”: A written agreement between the “Construction Supervisor” and the Contractor or Consultant that changes the contract documents or scope of project work as agreed upon contractually.

“Construction”: The removal or assembly of a building, road, utility or any other facility part or material that changes the nature, appearance, or value of that facility.

“Construction Supervisor”: A Concessioner employee designated to administer and coordinate day-to-day projects representing the interests of the Concessioner and NPS and assuring quality work is performed that meets the design and specifications of the project. This person must have the authority to direct the contractor in any way that may change the contractual agreement between the Concessioner and the contractor.

“Conventional Design-Bid-Build Methods”: Construction developed and implemented under several separate agreements managed and coordinated directly by the Concessioner.

“Contact Person”: A Concessioner employee designated as the person to contact with regard to a specific matter, concern, or issue.

“Facilitator”: A Concessioner employee designated to have the role of providing structure and agendas for meetings with NPS and who records meeting discussions and outcomes.

“Guaranteed Maximum Price Design-Build Construction Methods”: An industry recognized type of construction where project consultants and contractors form an agreement to work as one entity providing facility construction in response to a developed request for proposal issued by the Concessioner. (Reference: Design Build Institute of America).

“Licensed Contractor”: An entity performing construction shall be certified or licensed by a valid governmental authority to perform construction services.

“Major Rehabilitation”: (Defined in the CONTRACT).

“Project Coordinator”: A Concession employee vested with the authority to direct consultants and contractors in the expenditure of construction and R&M funds.

“Project Statement” (PS): An agreement between NPS and the Concessioner approved by the Park Superintendent that authorizes the development and implementation of individual projects identified in a CMP.

“Registered Technical Professionals”: Architects, engineers, or any subject area expert either certified or licensed by the State to perform specialized services or certified by a widely recognized industry regulator held responsible for quality and standard application of technical subject matter.

“Substantially Complete”: (Defined in the CONTRACT).

“Total Project Cost”: The total of all actual project expenditures (invoiced and paid) for completion of a project.

“Total Project Price”: The total of all estimated project expenditures for completion of a project.

C. Project Planning and Design

(1) Submit an Annual Construction and Repair and Maintenance Plan (CMP). Before approval to proceed with any project is granted by NPS, the Concessioner must submit a CMP for implementation the following year. Some projects may require several years of planning and design before construction. The purpose of the plan is to identify the need and tentative scope of projects a complete year in advance of actual work to allow adequate time to prepare for project commencement. The CMP should include any intended projects. Projects shown in the plan must include at least a project title; project concept description; a brief statement of justification; and anticipated NEPA and Section 106 planning and compliance established in collaboration with NPS staff.

(2) Notify NPS of Intent-to-Proceed. The Concessioner shall formally notify the Park Superintendent in writing of intent to proceed with any facility planning, design and/or projects. The project must be identified in the CMP the calendar year before to assist the NPS in sequencing and scheduling necessary support staff. The time of notification shall be sufficiently in advance of any Concessioner budget formulation to assure the requirements of the Park Superintendent are included in the project scope before the project is funded.

(3) Identify a Project Coordinator. The Concessioner project coordinator must be identified for each project. This person should have the authority to obligate project expenditures and hire and direct consultants and contractors, and concessioner support staff.

(4) Prepare a proposed Project Statement (PS). Arrange and facilitate a project planning conference with NPS staff and prepare a proposed PS to be submitted to the Park Superintendent for review. The conference should be performed on the proposed project site, if needed.

(a) Conference goal and product. The primary goal of the conference is to clearly identify the project concepts and scope at sufficient detail to carry the project through to completion without significant deviation from an approved PS. The product of the conference should be an approved PS prepared by the Concessioner resulting from collaboration between the Concessioner and the Park Superintendent.

(b) Project Statement Content. The PS shall include the following as a minimum: Project description; justification; scope of work, including NEPA and Section 106 planning and compliance; estimated Total Project Price; proposed schedule; milestones of NPS design review and third party project inspection and certification. The elements of the PS will function as check points of accountability and will vary in frequency and scope, contingent upon the nature, complexity and scope of the proposed project.

(c) Leasehold Surrender Interest. If the Concessioner seeks leasehold surrender interest as a result of a construction project, the Concessioner must request and receive the written approval of the proposed construction project by the Park Superintendent in accordance with the terms of this leasehold surrender interest concession contract. An estimate of the amount of leasehold surrender interest shall be identified in advance if the Concessioner requests leasehold surrender interest. The estimated leasehold surrender interest costs shall be separately identified as part of the Total Project Price and substantiated, if requested, with written and competitively acquired price proposals or construction contracts. Not all projects qualify for LSI. LSI is only granted under the terms of this CONTRACT, including, without limitation, its Exhibit A.

(d) Methods of Establishing the Expected Value of Leasehold Surrender Interest. A number of methods are available to estimate the Concessioner's leasehold surrender interest as long as eligible direct and indirect costs are specified. The methods of identifying the expected value of leasehold surrender interest include guaranteed maximum price design-build construction methods, conventional design-bid-build methods, and construction price estimates professionally prepared by subject area experts.

(e) Professional Services and Construction. The Concessioner must assure the park in its project statement that for any project requiring professional services, such services shall be acquired from appropriate registered technical professionals. Licensed contractors shall perform all project work unless otherwise approved in writing by the Superintendent. The Concessioner shall provide for registered technical professionals to perform project inspection and/or facility certification, or any other service needed for project implementation at the request of the Park Superintendent.

(f) NPS Operations. Any aspect of the proposed project where the scope of work interfaces with NPS operations such as utility service connections or road maintenance operations must be clearly identified in the PS.

(5) Submit Resource Compliance Documents for Review and Approval. During development of the project statement, responsibility for compliance work will be established. The Concessioner must request the participation of NPS staff early in project planning to assure uninterrupted project implementation. Development of compliance documentation must occur as soon as possible. Every effort shall be made to perform compliance document preparation tasks concurrently with project planning and design.

(a) Historic/cultural compliance. Historic and cultural compliance document approval is required for property listed in or eligible for inclusion in the National Register of Historic Places. Any undertaking affecting property listed shall be performed in accordance with The Secretary of the Interior's Standards for Rehabilitation & Illustrated Guidelines for Rehabilitating Historic Buildings". The Concessioner must document proposed actions using the "XXX Form" (available from the National Park Service) before any work occurs for any project that may affect a historic structure, historic district, cultural landscape, archeological site or historic object or furnishing. Compliance will usually require the preparation of at least "assessment of effect" drawings and specifications to the level of final documents if required. Compliance shall carry through to submission of the "Construction or R&M Completion Report" for many projects where significant changes are made to the historic structure and/or landscape. Therefore, compliance document approval usually will not occur until after submission of project documents. In-park historic compliance review and approval will require at least several weeks from date of submittal. Where submittal is made to the State Historic Preservation Officer or the Advisory Council on Historic Preservation, additional time will be required before approval may be given. This may be performed concurrently with approval of project documents.

(b) Ground disturbance. Where ground disturbance will take place submittal of drawings that show area and depth of proposed ground disturbance will be required. Submittal of this document early in project planning is recommended. All project documents that include soil disturbance shall have the following specification included within them:

"Petroglyphs, artifacts, burial grounds or remains, structural features, ceremonial, domestic, and archeological objects of any nature, historic or prehistoric, found within the project area are the property of and will be removed only by the Government. Should Contractor's operations uncover or his/her employees find any archeological remains, Contractor shall suspend operations at the site of discovery; notify the Government immediately of the findings; and continue operations in other areas. Included with the notification shall be a brief statement of the location and details of the findings. Should the temporary suspension of work at the site result in delays, or the discovery site require archeological studies resulting in delays of additional work for Contractor, he/she will be compensated by an equitable adjustment under the General Provisions of the contract."

(c) Archeological Monitoring. Monitoring project activity is a requirement of cultural compliance when significant ground disturbance occurs during project work. Any cultural resource monitoring required shall be performed under the direction of the NPS. The NPS shall be notified sufficiently in advance of the need for a monitor and will assist the Concessioner in making arrangements for the services of an archeological monitor at the expense of the Concessioner, if the NPS is unable to provide the expertise.

(d) National Environmental Policy Act (NEPA) compliance. NEPA compliance document approval is required before any construction or R&M project occurs for any project that has an impact on the environment. Projects requiring compliance will be identified by the NPS early during project planning. The actual review period length may vary widely depending on the nature, scope, and complexity of the project elements that relate to resource compliance. Projects that have no measurable impacts on park resources usually require a "categorical exclusion" determination--a process that may require sufficient extended lead-time from submittal of review documents. Projects that have potential significant impacts on park resources or projects that are not part of other NEPA compliance documentation will require additional environmental analysis and may also require a longer period of implementation.

(6) Submit Project Statement for NPS Review. The proposed PS shall be submitted in written correspondence from the Concessioner to the Park Superintendent requesting review. A PS signed by the Park Superintendent constitutes official authority for the Concessioner to continue further project development to the level specified in written correspondence from the Superintendent. The Concessioner may obtain authority to complete a project when sufficient planning and design has been completed to meet the interests of the park. Projects that do not have the level of required planning are likely to receive only conceptual approval with authorization to proceed with further planning and/or design as required to assure park objectives are met.

(a) Project Statements Containing Claims for Leasehold Surrender Interest. A PS must present an estimate of project expenditures to be claimed for LSI purposes. The eligibility of any expenditures for LSI will not be identified until all project planning is complete to the satisfaction of the Park Superintendent, including NEPA and Section 106 compliance, if required. An approved PS serves only as a guide for further project development to the level specified in the PS. The Park Superintendent shall only approve final LSI costs after project completion and written project close-out.

(b) Design Required for Leasehold Surrender Interest Eligibility and Value. The Park Superintendent may require an appropriate level of design to determine whether a project is eligible for LSI, and if so, its estimated cost. The level of project planning and design required may include completion of concept design, schematic design, or preliminary engineering design, to clearly identify the elements eligible for LSI. Some projects may require the completion of construction drawings and specifications before the proposed LSI is documented to the satisfaction of the Park Superintendent. All improvements for which LSI is claimed must be defined in record "as-built" construction drawings and specifications when the Concessioner submits its request for LSI at Project Close-out.

(7) Establish a Project File. A file of all project documents shall be held by the Concessioner as a chronological audit trail of all project decision-making activity for each project from concept development to completion and NPS acceptance. Each project shall be identified with a unique project number assigned by the Park. All documents entered into the file should have the project identification number clearly displayed on it as part of document identity.

(a) Leasehold Surrender Interest Project File. The Project File will become an LSI project file when the Concessioner requests approval of LSI. It shall be established and maintained by the Concessioner and shall include all of the documents identified in section 6(C) of this Exhibit. This file shall be submitted at the time of Project Close-out to the Park Superintendent as the basis for the leasehold surrender interest request. As part of this file, the Concessioner must maintain auditable records of all expenditures attributable to each project and have them available for review if requested by NPS personnel. Invoices shall contain sufficient information to identify the tasks completed or products delivered as agreed upon in contracts presenting a full scope of work. The file shall clearly provide a "paper trail" between expenditures eligible for LSI purposes and the payment of those expenses.

(b) Typical Project File. The organization of a typical project file is presented in the following sections:

Section A. Project Statement. The approved PS, scope of work, and a copy of the notice-to-proceed letter, authorizing planning and design, sent to the Concessioner by the Park Superintendent should be filed in this section.

Section B. Planning. This section should contain documents pertaining to any project planning. Typical documents include those produced for NEPA and Section 106 compliance. Also contained in this section should be any concept design, preliminary design, or schematic design correspondence and documents. When the Park Superintendent grants approval for any of the above stages of project development, correspondence from the Park Superintendent should be filed in this section.

Section C. Assessment. This section should contain a record of any assessment performed during project implementation. Soil, vegetation, floodplain, structural, electrical assessments, for example, should be filed in this section. Any other existing site or facility investigative reports, and all quality assurance documents such as third party project inspection, testing and certification should also be filed in this section.

Section D. Design. This section should contain a record of documents produced and decisions made during the design phase of a project. The design phase typically occurs when project activity has shifted from conceptual discussion to organizing detailed direction provided to a contractor for construction. Correspondence from the Park Superintendent providing design approval should be in this section.

Section E. Project Work. This section should contain a record of decisions made during project work. The letter from the Park Superintendent granting notice-to-proceed with the project should be in this section. All contractor proposals, change-orders, design modification documents, daily construction activity records, weekly meeting minutes, etc. should be in this section. Documentation for larger projects should be organized according to subcontractor activity or standard specification enumeration. The final document filed in this section should be the NPS correspondence sent to the Concessioner providing project acceptance and close-out.

Section F. Financial. This is a very important section where a copy of all contracts and contract modifications should be filed. It is important to assure that all expenditures are accounted for. All expenditures must have sufficient supporting documentation cross-referenced with documents in other file sections, if necessary. Monthly financial detail reports shall be prepared and filed in this section with copies of all project budget documents. This section must contain all correspondence supporting LSI with appropriate cross-reference to other sections for clarity of the LSI "paper trail." (For example, cross reference tabs). Also contained in this section shall be a copy of the project acceptance and close-out letter from the Park Superintendent that specifies the amount of leasehold surrender interest, if any, applicable to the project.

Section G. Photo Documentation. Complete documentation, including before-and-after photos, records of any special situations or conditions requiring changes, documentation of methods used, etc., should be kept to support requests for LSI and to assist future maintenance and/or appraisal efforts. Photographic documentation is also usually required for modifications to "listed" historic structures. To be most useful, photos should be filed with the documents they support.

(8) Submit Project Documents (PDs) for Review and Approval. The Concessioner shall submit PDs for review and approval to establish project activity for approval by the Superintendent. Approved PDs establish the full scope of the project and the quality of work to be performed by the Concessioner. The scope of the documents required will be identified in the PS. The scope and detail of the documents will vary depending on the nature and complexity of the project. "Manufacturer's cut-sheets" may be all that is required for some R&M projects, and for others, complete detailed drawings and specifications may be required. The Concessioner is responsible for the technical accuracy and completeness of PDs and shall provide the technical review as needed to assure compliance with all applicable federal, state and local statutes, codes, regulations and appropriate industry standards. Any exception to this will be by written authorization from the Superintendent.

(9) Submit a Project Estimate and Schedule. An estimate of the Total Project Price and completion schedule shall be submitted to the Superintendent before work begins. This is a revision of the Total Project Price and completion schedule estimated in the Project Statement. It is based on the best information available identified during project planning and design.

D. Project Management Procedures

(1) Identify a Project Supervisor. A Project Supervisor shall be identified and vested with the authority to direct the contractor on behalf of the Concessioner. The NPS will direct its communication concerning the nature and progress of day-to-day project activity to this person. This person should have full responsibility for assuring that all construction complies with the approved Project Documents and specified code compliance. The NPS should not take any responsibility for projects until Project Close-out and Acceptance when the NPS receives certification of completed work performed in compliance with Project Documents and all specified codes.

(2) Submit a Total Project Price for Review.

(a) All projects completed under the terms of this Contract where LSI is requested shall include submittal of a Total Project Price in writing to the Superintendent for review.

(b) Where no LSI is requested, the Total Project Price is provided as an informational item. Formal approval by the Superintendent is not required.

(3) Notice-to-Proceed with a Project. A "Notice-to-Proceed" with a project will be issued when all submittals requested by the Park Superintendent have been reviewed and approved. The Notice-to-Proceed must be received by the Concessioner in writing before any project work occurs.

(4) Hold a Pre-Project Conference with the Contractor. The Concessioner shall arrange and facilitate a pre-project conference as needed or as requested by the NPS with the Contractor. The purpose of the conference is to provide the NPS the opportunity to meet the Contractor and confirm that the Contractor has full understanding and knowledge of all work to be performed. In addition, the conference provides the opportunity to confirm established communication linkages between the Concessioner, the Contractor and the NPS. Any questions the Contractor may have regarding any matter of the project or anything about Area access, rules and regulations may also be discussed.

(5) Submit Project Activity Reports (as required). A record of project activity shall be provided by the Concessioner on all approved projects. The scope and frequency of performing this documentation shall be identified upon submittal of PDs for Park approval. The Concessioner is responsible for the accuracy and completeness of all design and completed projects.

(a) Content. Project activity reports shall summarize daily project activity recording important observations and decisions. It shall also identify project expenditures to date if required for leasehold surrender interest purposes. The reports shall identify any changes to the approved PDs either by change order or any other variance from approved PDs. The NPS shall be notified immediately, if a change is likely to occur in the Total Project Price where the project involves LSI. (See discussion below for review and approval of change orders and contract modifications.)

(b) Regulatory code compliance and project inspection (as required). Inspection reports specifically addressing regulatory code compliance and adherence to PDs will be required, at the request of the Superintendent, during certain stages of the work. Independent industry certified inspectors or registered professional subject area experts shall perform all inspections and project component certification. Inspection reports shall be prepared that include all findings and results of code compliance inspection. Section and paragraph of applicable codes shall be referenced when deficiencies are noted. Recommendations presenting remediation shall accompany line item deficiencies in the report. All inspection reports shall be included in the final project completion report submitted before project acceptance by the Superintendent.

(6) Submit Requests for Changes in Approved Project Documents. The Superintendent's approval will be required before any significant changes are made to the project scope during the completion of projects, as identified in the approved PDs. The Concessioner shall provide the NPS with written notification immediately upon identifying the need for a change in project scope that effects any of the items listed below. The written notification shall include a request for change in the approved PDs complete with justification and explanation of effect of change on all other aspects of project design and work. Requests for any significant changes in the approved PDs shall be reported in project activity reports with attachment of any documentation requested. Changes in approved project scope during the work that will require review and approval of the Superintendent include the following:

- (a) Changes affecting natural, cultural and/or historic resources;
- (b) Changes in designated visual appearance;
- (c) Changes in the interface with NPS utility and/or road facility maintenance operations;
- (d) Changes in project scope and/or the estimated leasehold surrender interest, as required for facility improvement projects.
- (e) Proposed changes where natural or cultural/historic resources are involved may require a significant period of review depending on the complexity of the concern.

(7) Submittal of Change Orders for Review and Approval (for Leasehold Surrender Interest only). When one of the five factors listed above exists, the Concessioner shall submit, for the review and approval of the Park Superintendent, documentation justifying the proposed changes. The Concessioner shall also submit a revised Total Project Price for each proposed change, as needed, indicating the proposed change in estimated LSI. All change orders or any other means of directing the Contractor that may have the effect of increasing the Total Project Price will require the Park Superintendent's review and approval, if the project has LSI implications.

(8) NPS Project Inspection. The project will be inspected periodically by a representative of the Park Superintendent. The purpose of these inspections is not in lieu of or in any way a substitute for project inspection provided by the Concessioner. The responsibility to assure safe, accountable project activity and for providing the contractor with direction to fulfill the full scope of approved work is the responsibility of the Concessioner.

(9) Project Supervision Documents. Project drawings and specifications must be kept on the project site complete with any design or project modifications, in a well-organized form. The Construction Supervisor shall keep a current "red-line" copy of approved PDs updated daily showing any changes. In addition, a well-organized file of submittals required in the approved PDs and approved where required by professional Architects and/or Engineers must also be kept on the project site with the PDs for periodic inspection by NPS staff.

(10) Substantial Completion Inspection and Occupancy. Joint inspection by the NPS and the concessioner will occur upon notification that the project is substantially complete. A "punch

list" of work items will be formulated and performed to "close-out" the project. The Superintendent, in writing will accept the project, when the "punch-list" items are completed. The Concessioner is not to occupy the facility until authorized in writing by the Park Superintendent.

(11) Requesting Approval of Leasehold Surrender Interest. Upon substantial completion of a project, as determined by the Park Superintendent, the Concessioner must provide the Superintendent a written schedule of requested LSI eligible costs incurred, which becomes the Concessioner's request for LSI approval. The project file, containing actual invoices and the administrative record of project implementation, must support these expenditures and shall be submitted to the Park Superintendent for review with the request. If requested by the Park Superintendent, the Concessioner shall also provide written certification from a certified public accountant regarding the LSI costs. The certification must comply with the requirements of Exhibit A of this Contract.

(12) Project Completion Report. Upon completion of any project, the Concessioner shall submit a Project Completion Report to the NPS. The completion report shall include the Total Project Cost; before-and-after photo documentation; warranties; operation and maintenance manuals, if required; all inspection and certification reports; and "as-constructed" drawings (see item section C(13) below). Projects where LSI is requested may require the submittal of any other similar documents deemed by the NPS necessary to establish complete project documentation. The level of documentation requested may also include adequate photo-documentation provided during construction to record significant unforeseen site and construction conditions resulting in changes to approved PDs and the approved Total Construction Price.

(13) "As-Constructed Drawings". The "as constructed" drawings (as-builts) included with the Project Completion Report for all projects shall be full-size archival quality prepared in accordance with NPS management policies and must be submitted before project acceptance by the National Park Service. At least two half-size sets of drawings shall also be provided, in addition to a copy of the drawings on a CD in AutoCAD format. The drawings establishing LSI shall provide a full and complete record of all "as-constructed" facilities including reproduction of approved submittals and manufacturer's literature documenting quality of materials, equipment and fixtures in addition to a record set of project specifications approved for construction.

(14) Request Project Acceptance and Close-out by the Superintendent. The Concessioner shall request project acceptance by the Park Superintendent either at the time of submittal of the Project Completion Report or at any time thereafter. Project acceptance will be contingent upon fulfillment of all requested project completion work tasks and submittal of all project documentation in accordance with these guidelines and as requested by the NPS. Until receiving formal written project acceptance and close-out from the Park Superintendent, the Concessioner retains full responsibility for all project construction activity and liability for both completed and uncompleted work. For LSI projects, the project close-out letter issued by the Superintendent will specify the granted amount of LSI value resulting from the project.

Dated on this 12th day of August, 2004.

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BY: Shyllis Prevost

BY: Michael W. Smith

TITLE: Pres

TITLE: SUPERINTENDENT

DATE: 08 / 11 / 04

DATE: 8/12/04

EXHIBIT G**LEASEHOLD SURRENDER INTEREST AS OF THE EFFECTIVE DATE OF THIS CONTRACT**

Pursuant to Section 9(c)(2), the Concessioner's leasehold surrender interest in real property improvements as of the effective date of this CONTRACT, if any, is as follows:

Building Number / Description

564	Maintenance Building
241A	Commercial building with restaurant and gift shop
241B	Building A – Lodge office, 4 rooms, one suite
495	Building B – 26 lodge rooms
754	Building C – 20 lodge rooms
242	Country Store (former gas station)
816	Employee dormitory building
817	Employee dormitory building
818	Employee dormitory building
827	Employee dormitory building

Total: \$1,570,000.00

Exhibit G Approved Effective **1 SEP 2004**

CONCESSIONER

UNITED STATES OF AMERICA

BY: Phyllis Prevost
President
Parkway Inn, Inc.

BY: Leticia A. Hooks
Regional Director, Southeast Region
National Park Service

EXHIBIT H
MAINTENANCE PLAN

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2) ASSIGNED AREAS	1
3) CONCESSIONER RESPONSIBILITIES.....	1
A) GENERAL	1
B) PLANS, REPORTS AND INSPECTIONS	4
C) FACILITY MAINTENANCE	6
D) UTILITIES	8
E) SIGNS	9
F) SOLID WASTE	10
G) RECYCLING AND CONSERVATION	10
H) FUEL STORAGE TANKS, HAZARDOUS MATERIALS AND HAZARDOUS WASTE PROGRAM	11
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4) CONCESSIONER RESPONSIBILITY (BY LAND USE).....	15
A) OVERNIGHT LODGING	15
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INTRODUCTION

This Maintenance Plan between Parkway Inn, Inc. (Pisgah Inn) (hereinafter referred to as the "Concessioner") and Blue Ridge Parkway, National Park Service (hereinafter referred to as the "Service") will serve as a supplement to Concession Contract CC-BLRI003-04 (hereinafter referred to as the "Contract"). It describes specific maintenance responsibilities of the Concessioner and the Service with regard to those lands and facilities within Blue Ridge Parkway that are assigned to the Concessioner for the purposes authorized by the Contract.

In the event of any apparent conflict between the terms of the Contract and this Maintenance Plan, the terms of the Contract, including its designations and amendments, shall prevail.

This plan shall remain in effect until superseded or amended. It will be reviewed annually by the Superintendent in consultation with the Concessioner and revised as determined necessary by the Superintendent. Revisions may not be inconsistent with the terms and conditions of the main body of the Contract. Revisions must be reasonable and in furtherance of the purposes of the Contract.

1) General Standards for National Park Concessioner Facilities

The National Park Service Concessions Management Guideline (D.O.48A), pending approval and issuance, offers general direction, expectations and standards on all aspects of concession operations (see Appendix D). The standards for interior and exterior maintenance as amended, supplemented or revised, are hereby incorporated by reference.

The Concessioner is required by the terms of the Contract to maintain the facilities used in a manner that is acceptable to the Service. It is the purpose of this Maintenance Plan to help define the necessary standards and to define the maintenance relationship between the Concessioner and the Service. Both the Concessioner and the Service have specific responsibilities as outlined in the Contract and this plan.

2) Assigned Areas

The land assigned under the Contract is within the boundary identified on the land assignment map with detailed text (See Exhibit D).

3) Concessioner Responsibilities

A) General

- (1) The Concessioner will be responsible for all maintenance and repairs to all Concession structures, facilities, and personal property. The Concessioner will correct any deficiencies and complete this work on a timely basis to achieve the basic goals described in the most current Concession Management Guidelines, relative to lodging, food and beverage, and retail.
- (2) Any Service-approved change resulting from construction of buildings, modification of buildings, or changes to land use within the Concessioner's land assignment will result in a corresponding change in the land assignment maps and must be noted by revision to the Land Assignment Maps in Exhibit D.

- (3) All maintenance will be conducted in compliance with all Applicable Laws, the following referred sections of the 2000 version of the International Property Maintenance Code ("IPMC"), and the manufacturer's recommendations/specifications. The following sections of the IMPC are adopted by the Maintenance Plan and incorporated herein by reference. In the event of any conflict between Applicable Laws and the IMPC, Applicable Law(s) will prevail. (The International Code Council's website is <http://www.bocai.org/index.html>, and a copy of these codes may be purchased for \$22.00.)
- (a) In the referenced sections, the terms "property owner," "owner," and "occupant" refer to the Concessioner.
 - (b) In the referenced sections, the term "code official" shall be changed to "Superintendent."
 - (c) Reference Chapter 1, Section 102; Applicability, the following paragraphs: 102.3 through 102.8.
 - (d) Reference Chapter 1, Section 105; Approval, the following paragraphs: 105.2 through 105.4.
 - (e) Reference Chapter 3, Section 301; General.
 - (f) Reference Chapter 3, Section 302; Exterior Property Areas.
 - (g) Reference Chapter 3, Section 303; Exterior Structure, the following paragraphs: 303.1 – 303.2, 303.4 – 303.17 (in paragraph 303.14; the following shall be changed in the first sentence; replace "During the period from [DATE] to [DATE]" with "During the operating period."
 - (h) Reference Chapter 3, Section 304; Interior Structure.
 - (i) Reference Chapter 3, Section 305; Rubbish and Garbage, the following paragraphs: 305.1, 305.2 (not including 305.2.1) and 305.3 (not including 305.3.1).
 - (j) Reference Chapter 3, Section 306; Extermination, the following paragraph: 306.1.
 - (k) Reference Chapters 4 through 7.
 - (l) In reference to Chapters 4 through 7, in circumstances that existing buildings do not meet the minimum requirements the Service and Concessioner will mutually agree to projects that would bring the building into compliance where deemed necessary. When areas are found that do not meet the minimum requirements, the Concessioner will document this and submit to the Service.
 - (m) In reference to paragraphs 401.2, 501.2, 601.2 and 701.2, if the requirements are not met, the Service and Concessioner will determine if the building may be occupied.
 - (n) The exception under paragraph 403.3 shall be changed to "Where specifically approved in writing by the Superintendent."

- (o) Paragraph 604.3, the “code official” shall be changed to “Service.”
- (p) Reference Chapter 8.
- (4) The Concessioner will integrate energy efficiency, environmental protection, and sustainable design practices into its maintenance activities.

(5) *Definitions*

In addition to all the defined terms contained in the Contract, Exhibit A, and Exhibit F, the following definitions apply to this Maintenance Plan:

- (a) **Operations** refer to all aspects of Concessioner activity authorized under the Contract. Operations include all services provided to the public and also include all non-public measures necessary to support those authorized services.
- (b) **Exterior** refers to structures, the foundations, exterior walls and surfaces, roofs, porches, stairways, and other structural attachments. This includes all the equipment, sidewalks, walkways, parking lots, landscaping, utilities, and related components within the Concessioner’s land assignments.
- (c) **Interior** refers to the area of structures inside the external walls and under the roof, including door and window frames. This also includes all equipment, appurtenances, and utility systems that penetrate the walls, roof, or foundation.
- (d) **Maintenance** is the preservation and repair of concession facilities, to the greatest practical extent, to the originally constructed condition or its subsequently improved condition. Maintenance includes operational cyclic repair and rehabilitation to address health, life and safety, and provide a positive environment for park visitors and employees.
 - **Cyclic Maintenance** is work activities that reoccur on a periodic cycle of greater than one year but less than seven years.
 - **Preventative Maintenance** is planned, scheduled servicing; inspection; adjustment; and replacement that results in continued service, fewer breakdowns and prevents premature replacement of equipment and materials.
 - **Repair** is correcting an unsatisfactory or substandard physical or operational condition. Repair is an aspect of maintenance and the objective of repair is the same as the objective of the general act of maintenance as defined above.
 - **Replacement** is an aspect of repair and may be a necessary and/or an economically sound approach to repairs.
- (e) See Section 2 of the Contract for additional definitions.
- (6) *Environmental Practices.* The Concessioner will seek ways to develop quality facilities and services. The Concessioner will encourage companies and businesses it does business with, to provide cleaner technologies and safer alternatives to toxic and hazardous materials and to develop innovative technology.

- (a) Energy Efficiency. The Concessioner will consider energy efficiency in all maintenance practices and integrate energy conserving measures whenever feasible. Energy efficient products will be installed to replace less efficient products and to minimize energy consumption.
 - (b) Sustainable Design. The Concessioner will incorporate sustainable design practices to the maximum extent practical. These practices will be consistent with the National Park Service Guiding Principles of Sustainable Design (September 1993) and other approved guidance as provided to the Concessioner.
 - (c) Universal Design. The Concessioner will incorporate sustainable design practices to the maximum extent practical.
 - (d) Environmental Protection. Where feasible and available, the Concessioner will utilize products or materials that are less toxic, contain post-consumer recycled content, are naturally or minimally processed products, and/or use other materials that have additional environmentally preferable attributes.
- (7) *Facility Maintenance Management System ("FMMS")*. The Concessioner will implement a FMMS. This system will schedule and track completion of all preventive, cyclic, scheduled and unscheduled maintenance items for assigned facilities/areas and associated expenditures.

B) Plans, Reports and Inspections

- (1) *Annual Maintenance Plan*. The Concessioner will provide the Service with an updated "Annual Maintenance Plan" that covers all facilities, buildings, personal property, and assigned areas. The Plan will be delivered to the Superintendent on or before December 1. The Superintendent will provide written response within 45 days from receipt. The plan will include:
- (a) Preventive Maintenance ("PM") Schedules. PM schedules will be developed by the Concessioner and included in the plan to ensure that all property assigned to the Concessioner is properly maintained. At a minimum, PM schedules will include detailed PM schedules for each building system (including but not limited to roofs, building envelopes and mechanical equipment). At a minimum, the PM schedules will adhere to manufacturers' recommendations, when available. The PM schedule will list what PM tasks will be completed and their frequency. The PM schedules will be included in the FMMS. Also included in the plan will be the Concessioner's quality control process to ensure that the PM's are being completed as scheduled.
 - (b) Cyclic Maintenance Schedules. Programmed cyclic maintenance items will be included in the plan. Typical items in this category include carpet and paint.
 - (c) Scheduled and Unscheduled Maintenance Items. A plan will be developed to schedule other (deferred maintenance, etc.) maintenance requirements during the year. The plan will include a service call procedure and method to prioritize service calls for unscheduled maintenance items. An inspection plan will be included that describes the process in which the Concessioner will ensure that the buildings are being maintained properly and that deferred maintenance items are being corrected in a timely manner.

- (d) Furniture and Removable Equipment Schedules. The planned systematic replacement of furniture and removable equipment for the following year.
 - (e) The previous FMMS reports will be submitted to the Service with the annual maintenance report (the previous years' report).
 - (f) Proposed expenditures to accomplish the items in the Annual Maintenance Plan.
- (2) *Repair and Maintenance Reserve Plan.* The Concessioner is to provide the Service with an updated "Repair and Maintenance Reserve Plan" that covers all assigned structures and facilities. The plan will be delivered to the Superintendent on or before December 1. The Superintendent will provide written response within 45 days from receipt. The plan will include:
- (a) A forecast, by year, of projects that will use Repair and Maintenance Reserve funds over the remaining life of the Contract.
 - (b) A three-year plan showing what projects are scheduled to be completed with Repair and Maintenance Reserve funds.
 - The plan will describe what year projects are scheduled to be designed (if needed) and constructed. An estimated cost will also be included in the plan.
 - (c) Projects that are scheduled to be complete during the next year.
 - These projects should have a detailed scope, schedule on when construction will begin, and cost estimate. Written approval from the Service is required before these projects may begin.
 - (d) The Service reserves the right to require the Concessioner to replace any component or building system at the end of its useful life or when the item presents a quality, safety, or environmental issue.
- (3) *Cyclic Maintenance Plan.* The Concessioner is to provide the Service with an updated Cyclic Maintenance Plan that includes all buildings assigned to the Concessioner. Cyclic items are items that have a life-cycle expectancy of seven years or less.
- (a) The plan shall be delivered to the Superintendent on or before December 1. The Superintendent will provide written response within 45 days from receipt. The plan will include:
 - A seven-year plan showing the scheduled replacement of items that need to be replaced cyclically (cyclical items include but are not limited to carpet and paint/stain).
 - Projects that are scheduled to be completed during the upcoming year that are estimated to cost in excess of \$5,000. These projects should have a detailed scope, schedule on when construction will begin, and cost estimate.
- (4) *Reports.* The FMMS shall have the capability of exporting electronic files. These files will contain a record of all maintenance items completed (PM, cyclic,

scheduled, and deferred maintenance items) and expenditures for each item. At a minimum, these reports shall be submitted to the Service with the annual maintenance plan (the previous years report).

- (5) *Deferred Maintenance Report.* Within 90 days of the effective date of Contract execution, an initial list of all maintenance deficiencies and items of deferred maintenance will be formulated and documented by the Service and reviewed with the Concessioner. Within 45 days of this review, the Concessioner will develop a program to address all such items, including a timeline and cost to cure.
- (6) *Annual Inspection.* Subsequent to the aforementioned initial inspection and annually thereafter, the Service reserves the right to conduct inspections and reviews of the assigned Concession facilities. The purpose of these inspections and reviews is to verify that the facilities are being properly maintained and that the facilities comply with the requirements set forth in this maintenance plan. These inspections and reviews will occur on a schedule to be submitted to the Concessioner. Based upon the identified needs, the Service and the Concessioner will develop a timeline to cure the noted deficiencies.
- (7) *North Carolina Permits and Requirements.* The Concessions will provide the Service with copies of all permits and correspondence with the State of North Carolina relating to utilities and underground storage tanks, as necessary.

SUMMARY OF REPORTING REQUIREMENTS INITIAL AND RECURRING DUE DATES			
Title	Schedule	Due Date	Reference
Environmental Management Program	Initial	Within 60 days of the effective date of contract execution	CONTRACT
Deferred Maintenance Plan	Initial	Within 90 days of the effective date of contract execution	Maintenance Plan, Section 4.B.5
Landscape Plan	Annual	Within 120 days of the effective date of contract execution	Maintenance Plan, Section 4.I.1.a
Annual Maintenance Report	Annual	On or before December 1 of each year.	Maintenance Plan, Section 4.B.1
Repair and Maintenance Reserve Plan	Annual	On or before December 1 of each year.	Maintenance Plan, Section 4.B.2
Cyclic Maintenance Plan	Annual	On or before December 1 of each year.	Maintenance Plan, Section 4.B.3
Annual Inspection Reports	Annual	To Be Determined by Concessioner and Service	Maintenance Plan, Section 4.B.b.
Integrated Pest Management and Pesticide Use Report	Annual	On or before December 31 of each year.	Maintenance Plan, Section 4.I.1.a

C) Facility Maintenance

The following are guidelines in addition to the IPMC:

- (1) *Qualified Personnel.* All maintenance and repair work will be done by qualified personnel as defined by applicable codes.

- (2) *Specifications.* Repairs or replacements will be done in accordance with National Park Service specifications and industry standards.
- (3) *Access to Concession Facilities.* The Superintendent or designated representatives will have access to all concession facilities on the Blue Ridge Parkway to conduct evaluations and other required inspections.
- (4) *New Construction and Capital Improvements*
 - (a) Plans for new construction, additions to structures, major renovation, and all other capital improvements must be prepared and stamped by licensed architects and engineers in accordance with NPS-10-Drafting Guidelines. Five sets of plans must be submitted for Service review and approval. The Service will attempt to review and comment on plans within 30 days. The Service will not review or approve plans that are not stamped.
 - (b) The Concessioner will hire a qualified independent inspector to inspect all new construction or significant project work during construction and upon completion. An inspection report verifying code compliance must be submitted to the Service prior to using or occupying the improvements. Computer generated "as built" drawings in the current version of AutoCAD and a project completion report, which includes total project costs, will be supplied to the Service within 60 days of completion of work on the project.
 - (c) Any proposed action that requires review under the National Environmental Policy Act, Section 106 of the National Historic Preservation Act and Director's Order #12 will be submitted to the Superintendent. The Service will determine what environmental compliance is required. The Concessioner may be required to contract for preparation of an environmental assessment or environmental impact statement depending upon the priorities of the Park Planning Office. The Service will advise the contractor on proper process and procedure. The Superintendent must approve the proposed action in writing before any work commences.
- (5) *Painting.* Unless required more frequently per the manufacturer's recommendation or the IPMC, paintable surfaces shall be painted on a regular cycle, exteriors of not less than five (5) years, and interiors not less than seven (7) years. Paint products shall be of a "best quality" from a major manufacturer and a type and color that is readily available on the open market. Any changes to paint colors from the color range provided by the Superintendent must be approved by the Superintendent. Whenever possible, the Concessioner will utilize reprocessed, low volatile organic content (VOC), latex coatings when technically feasible and appropriate. When oil based paints are used, minimize solvent use by means of thinner settling and reuse whenever possible.
- (6) *Carpet.* Unless required more frequently per the manufacturer's recommendation, carpeting shall be replaced at a minimum of seven (7) years.
- (7) *Exterior Lighting.* All lights must be shielded to cast light downward only to protect night skies (exterior lighting shall provide the minimum necessary lighting

for visitor safety and security of facilities). The National Park Service must approve new installations.

- (8) *Asbestos.* The Concessioner is responsible for maintaining health and safety standards in the presence of asbestos in all assigned buildings and areas. Any repair, or replacement of asbestos containing surfaces will be performed with the written approval of the Superintendent.
- (9) *Telephone.* The Concessioner will repair and maintain on-premises telephone equipment and wiring on the user side of the connections and panels.
- (10) *Winter Closures.* The Concessioner will ensure that buildings are adequately winterized and secured while unoccupied. Shutters, where appropriate, and bracing will be installed to protect unoccupied buildings. Roofs will be kept free of heavy snow loads.

D) Utilities

The Concessioner is responsible for contracting with independent suppliers to provide year-round telephone service, electrical service, and propane. The Concessioner is responsible for direct payment to these suppliers.

- (1) *Electrical.* The Concessioner shall maintain all secondary electrical lines and equipment (conduit, fuses, panels, switches, transformers, lines, etc.) within the assigned areas, including all fixtures (lamps, cord and equipment) affixed to secondary electrical lines.
 - (a) The Concessioner will repair or replace any electrical system damage within the assigned areas and/or damage occurring beyond the Concessioner assigned areas that results from negligence of the Concessioner's employees or contractors.
 - (b) The Concessioner is responsible for electricity and fixtures in assigned parking lots that service only their facilities.
 - (c) The Concessioner will ensure that all electrical circuits under its control meet or exceed the standards of the National Electric Code.
- (2) *Water*
 - (a) The Concessioner will maintain and repair the water system starting at the meters. This maintenance and repair will include, but not be limited to water pipes, water heaters, faucets, and spigots. The Concessioner will activate, deactivate, and winterize system components as necessary, as part of normal maintenance.
 - (b) The Concessioner is responsible for purchasing, installing and maintaining flow prevention devices for new construction and new building assignments, as well as for existing facilities.
 - (c) The Concessioner will repair or replace any water system damage within its assigned areas and/or damage occurring beyond the Concessioner's assigned areas which results from negligence, the Concessioner, the Concessioner's agents, and/or its employees while working or operating equipment.

- (d) The Concessioner agrees to install water conserving fixtures or irrigation systems to all new construction, and when existing fixtures or irrigation systems need replacements. Water conservation in buildings includes using aerators on all sink faucets, low-flow shower heads (not exceeding maximum flow of 1.5 gallons per minute at 20 p.s.i. or 2.8 gallons per minute at 80 p.s.i.) and low-flow toilets (not to exceed 1.6 gallons/flush at 20 p.s.i. or 1.9 gallons/flush at 80 p.s.i.).
- (e) The Concessioner is responsible for the following procedures prior to opening any facility that has been closed:
 - Waterlines will be super chlorinated before initial use.
 - In cases where super chlorination is not possible, lines will be thoroughly flushed with potable water. After lines are flushed, a steady stream of water must flow from spigots until demand creates a constant flow.
- (f) The Concessioner is responsible for having approved back flow devices on all outside spigots.
- (g) The Concessioner is responsible for testing for leaks within its assigned area and repairing leaks.
- (h) The Concessioner will provide the Service with facility occupancy dates for activation and deactivation of systems when opening and closing dates are submitted for approval
- (3) *Sewage.* The Concessioner will maintain lines throughout their facilities from the junction to each building.
- (4) *Grease Traps.* The Concessioner will be responsible for maintaining grease traps. Grease traps must be pumped on a regular basis with documentation provided to the concessions management office, and the grease disposed of outside the park. In the event of failure of a grease trap, the Concessioner will be charged any labor, equipment and materials cost the Service incurs to pump grease traps on an emergency basis.
- (5) *Exhaust Hoods.* The Concessioner will be responsible for maintaining kitchen exhaust hoods. Exhaust hoods must be cleaned monthly with documentation provided to the Concessions Management Office. In the event of a fire, the concessioner will contact the local fire department or 911 immediately and request assistance. The Parkway Communications Center will then be contacted. If it is not operational, the incident needs to be reported to 1-800- PARKWATCH.

E) Signs

- (1) The Concessioner is responsible for ensuring that its signs are compatible with Service sign standards as determined by the Superintendent. The Superintendent shall approve all new sign installations in advance. No handwritten or typed signs will be permitted within the Concessioner's assigned areas.
- (2) Public signs for which the Concessioner is responsible must be appropriately located, accurate, attractive, and well maintained. Signs of a permanent nature shall

be prepared in a professional manner, consistent with Service standards, and appropriate for the purpose they serve.

- (3) The Concessioner will be responsible for the installation, maintenance, and replacement of all interior and exterior signs relating to its operations and services within the assigned areas. Examples of this responsibility are signs identifying the location of functions (when attached to Concessioner-operated buildings or on grounds assigned to the Concessioner), signs identifying operating services and hours, and signs identifying the Concessioner's rules or policies.

F) Solid Waste

(1) Guidelines

- (a) The Concessioner will develop, promote and implement a litter abatement program that fully supports and is compatible with the Park's litter abatement program. Support will include, but is not limited to, participating in Park-wide litter clean-up events, implementing land assignment litter clean-up days, providing litter bags at predetermined and convenient locations and providing litter free messages on appropriate materials and in appropriate locations.

(2) Responsibilities

- (a) The Concessioner will be responsible for the collection of all litter and garbage and for its disposal within the assigned areas at the proper county or other landfill areas. All assigned areas will be kept free of litter, garbage, and abandoned equipment/vehicles.
- (b) All materials generated as solid waste, untreated wood, and tree branches, must be removed from the Park at the Concessioner's expense and disposed of outside the Park.

(3) Receptacles

- (a) All trash containers should be screened from public view by a trash enclosure or other means as approved by the Service. Garbage cans and dumpsters must be bear proof and painted approved colors.
- (b) The Concessioner will be responsible for the placing and daily cleaning of cigarette receptacles in assigned areas.
- (c) Receptacles will be waterproof, vermin-proof, and covered with working lids.
- (d) All receptacles will be kept clean, well-maintained and serviceable.

G) Recycling and Conservation

(1) Recycling Program

- (a) The Concessioner will develop, promote and implement a recycling program that fully supports the efforts of the Service. A third-party vendor, with the approval of the Service, may provide these services. Recycling areas will be made available to service concession facilities, public, commercial, and employee areas. Recyclable containers placed outside must be bear proof. Interim storage of all recyclable materials must be indoors to prevent access by bears and other vermin.

Products to be recycled include but are not limited to paper, newsprint, cardboard, bimetals, fluorescent tubes, plastics, aluminum, glass, waste oil, waste fuel, antifreeze, and batteries. Such program will include, but not be limited to the following:

- Provide collection bins.
- Provide processing and compaction equipment for the materials collected.
- Removal of all material from the park area and transport to an authorized recycling center. Recycling containers must be bear resistant.
- Provide access to and use of the recycling program to the Service.

(2) *Use of Recycled Products.* The Concessioner will implement a source reduction program designed to minimize its use of disposable products in its operations. Reusable and recyclable products are preferred over single-service items. Polystyrene and plastics will be used as little as possible and then only polystyrene not containing chlorofluorocarbons may be used. Where disposable products are needed, products will be used which have the least impact on the environment. Use of post-consumer recycled products is encouraged whenever possible. The Concessioner will purchase and incorporate environmentally preferred products or services for use and for sale.

(3) *Environmentally Safe Products*

- (a) Where practical, the Concessioner will use environmentally safe "green" products and practices that enhance sustainable operations and development and promote use of recycled oils, tires (re-treads), construction materials, etc. The Concessioner will develop, a list of "green" products acceptable alternatives to utilize for all operations concerned with auto fleet/rental fleet lubricants and coolants; chemical additives to toilets; and construction materials. The list will be made available for Service review.
- (b) Materials. Where disposable products are needed, products will be used which have the least impact on the environment. The use of post-consumer recycled products is encouraged whenever possible.

(4) *Water and Energy Conservation.* The Concessioner will implement water and energy conservation measures for each of its operations. As new technologies are developed, the Concessioner will explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, or reduced impacts on the environment. The Concessioner is expected to attain the highest level of sustainability in all levels of operation.

(5) *Alternative Fuel Vehicles.* The Concessioner should consider using alternative fuel vehicles where applicable.

H) Fuel Storage Tanks, Hazardous Materials and Hazardous Waste Program

(1) *General*

- (a) The Concessioner will implement hazardous material reduction to minimize and eventually eliminate use of hazardous chemicals in their operation.

- (b) The Concessioner will maintain health and safety standards and take necessary mitigative and corrective measures to assure healthy working and living environments in all assigned concession facilities.
 - (c) In accordance with this Contract, the Concessioner will develop and submit an Environmental Management Program ("EMP") to the Director that will account for all activities with potential environmental impacts, including hazardous waste management, for review and approval within 60 days of the effective date of Contract execution.
 - (d) Training. The Concessioner's designated employees will attend hazardous materials and waste management training as made available by the park or through outside sources. Training will include Hazardous Communication Standard for employees who may be exposed to chemical hazards on the job site and Hazardous Waste Operations and Emergency Response Standard for employees who may be exposed to hazardous substances in certain specific job-related duties.
- (2) *Underground and Above Ground Fuel Storage Tanks*. The Park must approve all plans for any work involving underground and above ground fuel storage tanks, tracer probes, monitoring wells, removal of contaminated soil, ground water remediation work, etc. The Concessioner must comply with all Federal, State and local laws, regulations and policies regarding fuel storage tanks.
- (3) *Hazardous Material*
- (a) Hazardous materials will be handled in accordance with OSHA 29 CFS, 1910 and 1926.
 - (b) As part of the EMP, the Concessioner will submit a Facility and Vessel Response Plan, which will include:
 - An Emergency Response Action Plan that prioritizes calls and establishes a time threshold based on the type of call; and,
 - A Spill Prevention Control and Countermeasure ("SPCC") Plan that is in accordance with regulations in Title 40 CFR, Part 112.
- (4) *Hazardous Waste*
- (a) The Concessioner will properly mitigate and remedy all unauthorized discharges of hazardous materials or non-hazardous chemical and biological products released from fleet and public service vehicles and/or stationary sources.
 - Response will be consistent with guidelines established within applicable Federal, State, and local laws, regulations, and policies and as outlined within the Concessioner's EMP.
 - The Concessioner will notify the Park's Communications Center without delay when a release of hazardous or non-hazardous chemical or biological product occurs. Proper corrective, cleanup, and safety actions must be implemented immediately.

- (b) Individual fleet and public service vehicles with a load rating greater than two tons should carry, at minimum, enough absorbent materials to effectively immobilize the total volume of fluids contained within the vehicle. Vehicles and operators transporting hazardous materials must be Department of Transportation (DOT) certified and/or registered, and operators must be knowledgeable of local emergency response and personal safety protocol.

I) Grounds, Landscaping, And Pest Management

(1) Guidelines

- (a) The Concessioner will be responsible for landscaping, grounds care (watering, mowing, weeding, fertilizing, pruning, etc.) and improvement of the assigned areas, as defined on the maps at Exhibit D. Plans for such landscaping must have the prior approval of the Service, and all plant species used in landscaping must have prior Service approval. As such, the concessioner is required to submit to the Superintendent on or before December 31 of each year a Landscape Plan that outlines all landscaping initiatives planned for the next operating season.
- (b) The Concessioner will be responsible for maintaining landscaping around structures to Park approved standards for wildland-urban interface clearing. The Park Landscape Architect will consult with the Concessioner to determine appropriate application of the standards within the Concessioner's land assignments. Initial clearing should be done within 12 months of contract execution. The Concessioner will continue to maintain landscaping to the approved standards. Disposal of refuse, debris, and salvageable material from clearing is subject to Service regulations and policy.
- (c) The Concessioner will be responsible for the placing and daily cleaning of cigarette receptacles in the assigned areas. The Concessioner will be responsible for keeping the assigned areas free and clear at all times of safety hazards (broken glass, sharp objects, etc.).
- (d) The Service and the Concessioner will agree to an Integrated Pest Management Program, (IPMP) that will define the nature and frequency of treatment, approved chemical lists, etc. Concessioner applying any herbicide, pesticide, or engaging in any pest control or non-native species activity in buildings, residences, or in grounds/landscape materials will be in accordance with the IPMP. As such, the concessioner is required to submit to the Superintendent on or before December 31 of each year an Integrated Pest Management and Pesticide Use report outlining all pest management and pesticide application plans for the next operating season.
 - A permit is required from the U.S. Fish and Wildlife Service before bird nests can be removed. Nests may only be removed before eggs have been laid or after the young have fledged. Netting or other deterrents should be put on buildings with recurrent bird nesting problems.
 - The control of weeds and pests by chemical and other means is subject to Service approval. The Concessioner will review specific issues with the Park's integrated pest management coordinator.

- The Concessioner is responsible for extermination within all its areas/buildings. Paragraphs 306.2, 306.3, 306.4 and 306.5 in the IPMC do not apply to this Contract.
- (e) The Concessioner will conduct its business and daily activities in such a manner as to minimize impacts on the natural scene. This will involve protecting native vegetation and controlling erosion.
- (f) A licensed pest control contractor will inspect all buildings/structures assigned for use under this Contract on a regular cycle not less than every five (5) years, after an initial inspection. The initial inspection is to be performed within one year of the awarding of this Contract. The inspection report will be submitted to the Superintendent.
- (g) The Concessioner will emphasize water conservation in landscaping operations.
- (h) Adequate steps will be taken to prevent the introduction and importation of exotic plants and species into the Park.
- (2) *Hazard Tree Removal.* The Concessioner is not authorized to remove hazard trees from its assigned areas without the specific approval of the Superintendent or his designated representative. Approval will be granted in accordance with the established Park policy for hazard tree removal. The Concessioner is responsible for removing trees after receiving Service approval. Salvageable material will be disposed of in accordance with Service regulation and policy.

J) Roads, Trails, Parking Areas, and Walkways

(1) Guidelines

- (a) The Concessioner is responsible for grading, resurfacing, surface repair, patching; striping, and debris and hazard removal; from roads, parking areas, trails, and walkways within its land assignments.
- (b) At the request of the Concessioner, the Service may perform some of the work that is the Concessioner's responsibility on a cost-reimbursable basis, depending upon other priorities. An estimate of labor and equipment charges will be provided in advance.
- (c) The Concessioner is responsible for complying with the Uniform Federal Accessibility Standards (UFAS) in its assigned areas.
- (2) *Trail Maintenance.* Projects must have written approval of the Superintendent or his/her designee before any work commences.
- (3) *Snow Removal*
 - (a) The Concessioner is responsible for removing snow from the roofs, entrances, porches, and walkways of concession facilities. Ice buildup on walkways will be sanded or removed for safety. Any chemical used for removing ice must be approved in advance by the Service.
 - (b) The Concessioner is responsible for marking fire hydrants with snow stakes and for removing snow from around hydrants in assigned areas.

- (c) The Concessioner is responsible for all snow removal on parking lot areas within its assigned areas.
- (d) Special requests by the Concessioner for assistance with snow removal will be made through the Concessions Management Office or the Chief of Maintenance.

4) **Concessioner Responsibility**

A) Overnight Lodging

(1) General Maintenance

(a) Public Areas

- **Signage**: All signage should be well maintained and accurate. Any signs that have been defaced or removed shall be replaced within seven days. If the sign addresses a life safety issue, it will be replaced immediately with a professional looking temporary sign.
- **Restrooms**: All restrooms will be well maintained and cleaned as needed and a minimum of two times per day. Hourly inspections of restrooms, during operating hours, are to be conducted. Fixtures and equipment will be fixed immediately upon notification of problem. No bathroom fixture will be left out of order for more than 24 hours.
- **Cleaning**: All public areas will be well maintained and cleaned at the minimum twice per day. The area will be kept free of clutter and debris at all times.

(b) Guest Rooms

- **FF&E repair/replacement**

- ♦ **Case goods**. Case goods will be well maintained and repaired to ensure a pleasant and safe guest experience. Any scratches and/or defacement of the case goods will be fixed or the piece of furniture will be replaced prior to the room being rented.

All case goods will be replaced at least every 15 years or sooner if the furnishing is not up to the standards of a three diamond property.

- ♦ **Soft goods**: Soft goods will be clean and free from any stains, holes or tears. An adequate inventory of replacement soft goods will be kept on hand in order to replace damaged soft goods prior to renting the guest room. Soft goods will be replaced every five years.
- ♦ **Mattresses**: Mattresses will be replaced every 10 years or sooner if the condition warrants it.
- ♦ **Fire Protection and Safety**: All smoke detectors must be routinely tested.

Guest unit entrance and sliding glass door locking devices should be well maintained and tested routinely to ensure effectiveness.

B) Restaurant/Gift Shop Building*(1) General Maintenance***(a) Public Areas**

- **Signage**: All signage should be well maintained and accurate. Any signs that have been defaced or removed shall be replaced within seven days. If the sign addresses a life safety issue, it will be replaced immediately with a professional looking temporary sign.
- **Restrooms**: All restrooms will be well maintained and cleaned as needed. A minimum of three complete cleanings will be conducted daily, and one complete cleaning is to be conducted at the start of the scheduled hours of operation for each meal period, i.e., breakfast, lunch and dinner. Hourly inspections of restrooms, during operating hours, are to be scheduled, conducted and documented; immediate corrective action will be taken to correct noted deficiencies. Fixtures and equipment will be fixed immediately upon notification of problem. No bathroom fixture will be left out of order for more than 24 hours.
- **Windows**: There are a substantial number of windows in the food and beverage dining area. These windows shall be kept clean and neat in appearance to such a level that visitors within the building may clearly view the area outside the concessions building. Smudges, cobwebs, bugs, etc. will be removed immediately if found.
- **Cleaning**: All public areas will be well maintained and cleaned at the minimum twice per day. The area will be kept free of clutter and debris at all times.

(b) Kitchen

- **Cleaning**: Floors, walls and all equipment will be cleaned continuously and following each meal period. Industry accepted sanitation regulations for recommended ware washing temperatures and the use of chemical sanitizers will be observed.
- **Safety**: Areas will be kept free from hazardous conditions and materials. Storage of all cleaning supplies will be in non-food areas.

C) General Store*(1) General Maintenance***(a) Public Areas**

- **Signage**: All signage should be well maintained and accurate. Any signs that have been defaced or removed shall be replaced within seven days. If the sign addresses a life safety issue, it will be replaced immediately with a professional looking temporary sign.
- **Restrooms**: All restrooms will be well maintained and cleaned as needed and a minimum of two times per day. Hourly inspections of restrooms,

during operating hours, are to be conducted. Fixtures and equipment will be fixed immediately upon notification of problem. No bathroom fixture will be left out of order for more than 24 hours.

- Cleaning: All public areas will be well maintained and cleaned at the minimum twice per day. The area will be kept free of clutter and debris at all times.

D) Furniture and Removable Equipment

- (1) All Concessioner operated appliances, machinery, and equipment; including parts, supplies, and related materials will be maintained, serviced, and repaired per manufacturers' recommendations, and replaced as necessary.
- (2) The Concessioner is also responsible for:
 - (a) Annually cleaning and inspecting active chimneys and exhaust ducts.
 - (b) Inspecting range/grill hoods monthly and cleaning as required.
 - (c) Inspecting, cleaning, and tuning boilers annually, or more often, as condition warrants.

5) Park Responsibilities

The Park assumes no responsibility for the execution of operations or physical maintenance work or replacement of Government buildings, structures, facilities, or areas assigned to the Concessioner except as stated below. The Park will assist the Concessioner in its maintenance program by assuming and executing the following responsibilities subject to the availability of appropriated funds.

A) Service Responsibilities

- (1) *Roads, Trails, Parking Lots, and Walkways*. The Service will maintain all elements outside the Concessioner's land assignment, as shown on the land assignment maps (see Exhibit D to this Contract).
- (2) *Snow Removal*. The Service is responsible for all snow removal for roads outside the boundaries of the Concessioner assigned areas.
- (3) *Utilities*
 - (a) Electrical
 - The Service will repair or replace any damage occurring to all utility systems assigned to the Concessioner within its land assignment, which is due to the negligence of the Park and/or its employees.
 - The Service, or the utility company with the easement, will be responsible for all utility systems running through, but not providing service to Concessioner facilities within the Concessioner's land assignments.
 - (b) Water
 - The Service will maintain water systems and lines to meter junction points.

- The Service will maintain water meters on new and existing concession facilities.
- The Service will maintain, replace, repair, and paint fire hydrants.
- The Service will provide bacteriological monitoring and chemical analysis of potable water as required. The Service will perform major rehabilitation on the storage and distribution system, subject to available funding.

(4) *Signs*

- (a) The Service is responsible for all regulatory, traffic control, or information signs that serve the interest of the Government; examples include information signs along roadways, directional signs along Park trails, and interpretive signing.
- (b) The Service will install, maintain and replace the main entrance signs, major junction signs.
- (c) The Service will provide bear warning signs to be placed on garbage cans and dumpsters.

(5) *Solid Waste.* The Service is responsible for trash collection outside of the Concessioner assigned area of responsibility.

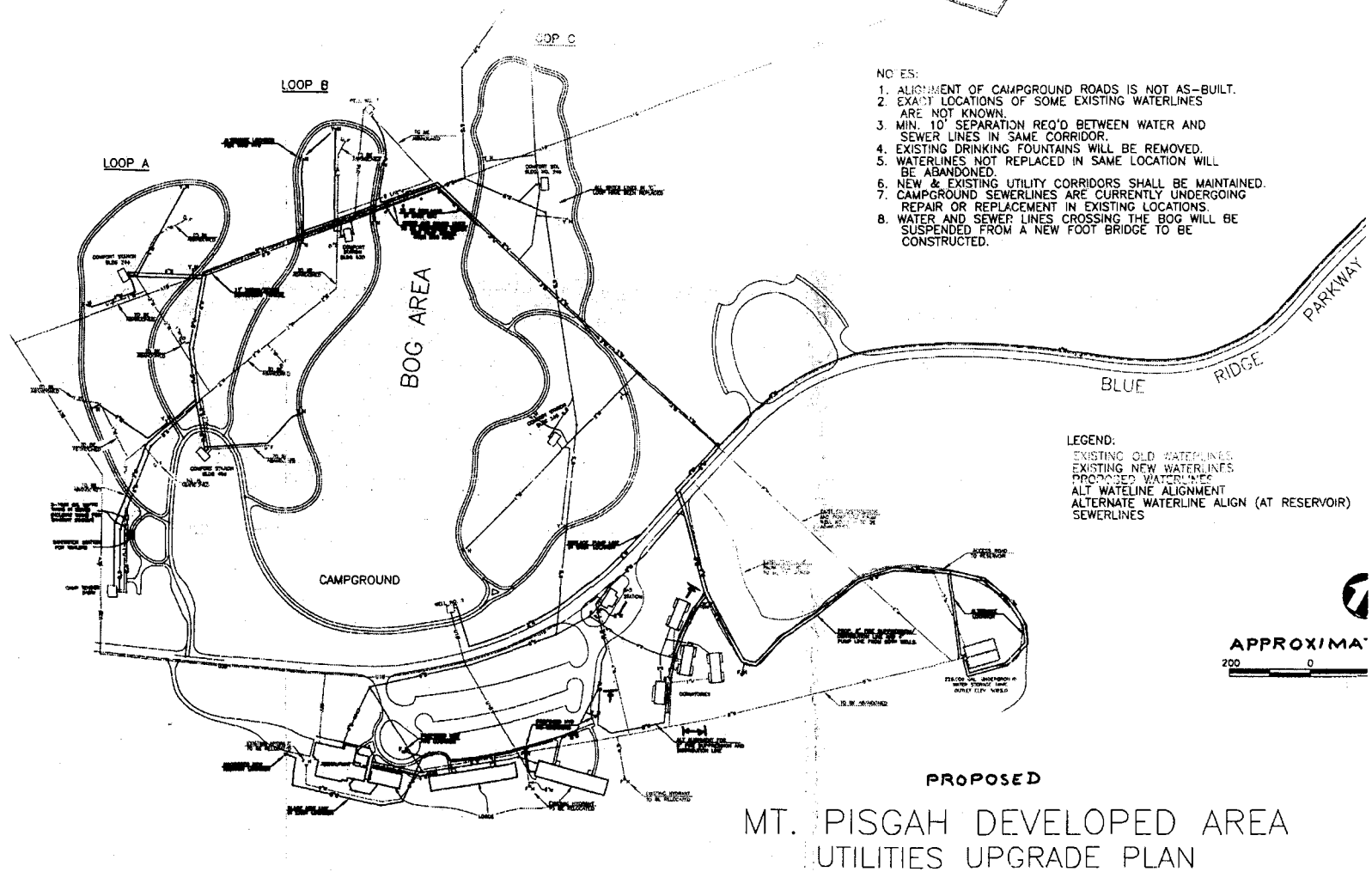
(6) *Grounds, Landscaping, And Pest Management*

- (a) The Service will periodically monitor and identify hazardous trees in the Park. The Service will remove hazardous trees that are outside the Concessioner's land assignment.
- (b) The Service will review the Concessioner's landscaping plans, provide standards as needed, review and approve proposed work, and monitor Concessioner landscaping projects.
- (c) The Service will coordinate hazardous tree removal with the Concessioner, except in those instances where an imminent hazard precludes such prior coordination.

(7) The Service reserves the right to require the Concessioner to replace furniture and removable equipment at the end of its useful life or when the item presents a quality, safety, or environmental issue.

(8) *Exterior Fire Equipment*

- (a) Fire Hydrants. The Park will maintain all fire hydrants within the Concessioner's land assignment, including the maintenance, repair, replacement, testing, and painting of all fire hydrants on water mains within the Concessioner's land assignment.

Map 1 - Utilities Map

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BY: Phyllis Prevost

BY: Samuel H. [Signature]

TITLE: Pres

TITLE: SUPERINTENDENT

DATE: 8/11/04

DATE: 8/12/04

EXHIBIT I

INSURANCE REQUIREMENTS

I. INSURANCE REQUIREMENTS

The Concessioner shall obtain and maintain during the entire term of this CONTRACT, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the CONTRACT.

With the exception of statutory Workers' Compensation insurance protection, the National Park Service shall be named as an additional insured under all insurance policies issued or arranged in support of this agreement. The coverage provided for the benefit of the National Park Service is not to be impaired by any act of the Concessioner, its agents, servants or employees. The National Park Service shall, solely for its benefit, be provided ***an unconditional 30 day advance*** notice of cancellation, non-renewal or material change in coverage or policy terms. The term National Park Service shall by definition and where appropriate and legally permissible, also include the term United States Government/United States of America.

The amounts of insurance and coverage terms ***indicated are not intended as a limitation*** of the Concessioner's responsibility or liability under this agreement, but rather an indication as to the minimum amount and minimum scope of insurance that the National Park Service considers necessary to allow the operation of the concession facilities at its park. Nevertheless, if the concessioner purchases insurance in addition to the limits illustrated herein, the National Park Service is to receive benefit of the additional amounts of insurance without additional cost to the National Park Service.

II. LIABILITY INSURANCE

The following Liability Coverages are to be maintained at a minimum, all of which, unless noted herein, are to be written on an occurrence form of coverage by an **insurance company licensed to do business within the State of North Carolina and having an A.M. Best's rating of no less than A- and a financial category rating of no less than VII**. The Concessioner may attain the limits specified below by means of supplementing the respective coverage(s) with Excess or "Umbrella" Liability. (See item #3 excess or umbrella liability insurance policy).

A) Commercial General Liability Insurance

- 1) Coverage will be provided for bodily injury, property damage, personal or advertising injury liability including contractual liability arising out of personal injury and advertising injury liability) and products/completed operations liability insurance protection. The following minimum limits of liability * are to be provided:

Bodily Injury and Property Damage Limit

- (1) General Aggregate

\$10 million

(2) Products & Completed Operations Aggregate	<u>\$10 million</u>
(3) Per Occurrence	<u>\$10 million</u>
(4) Personal Injury & Advertising Injury Liability	<u>\$10 million</u>
(5) Medical Payments	<u>\$5,000</u>
(6) Fire Damage Legal Liability "per fire"	<u>\$50,000</u>

***or those minimum limits required by the Umbrella/excess liability insurer**

2) The liability coverages may not contain the following exclusions/limitations:

- (a) Athletic or Sports Participation
 - (b) Products/Completed Operations
 - (c) Personal Injury or Advertising Injury exclusion or limitation
 - (d) Contractual Liability limitation
 - (e) Explosion , Collapse and Underground Property Damage exclusion
 - (f) Total Pollution exclusion
 - (g) Watercraft limitations affecting the use of watercraft in the course of the concessioner's operations (unless separate Watercraft coverage is maintained)
- 3) The pollution exclusion may be amended so that it does not apply to the smoke, fumes, vapor or soot from hostile fires.
- 4) If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location, or, at least, separately to the appropriate NPS location(s).

B) Automobile Liability Insurance

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance or use of "any auto," Symbol 1. (Where there are no owned autos, coverage applicable to "hired" and "non-owned" autos, "Symbols 8 & 9," shall be maintained.)

Bodily Injury and Property Damage (combined) \$10,000,000 per occurrence *.

***or those minimum limits required by the Umbrella/excess liability insurer**

C) Liquor Liability (if applicable)

Coverage will be provided for bodily injury or property damage including damages for care, loss of services, or loss of support arising out of the selling, serving or furnishing of any alcoholic beverage.

Each Common Cause Limit	<u>\$3 million</u>
Aggregate Limit	<u>\$5 million</u>

D) Watercraft Liability (or Protection & Indemnity) (Not Applicable)

Coverage will be provided for bodily injury or property damage arising out of the use of any watercraft.

Each Occurrence Limit	\$ _____
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E) Aircraft Liability (Not Applicable)

Coverage will be provided for bodily injury or property damage arising out of the use of any aircraft.

Each Person Limit	\$ _____
Property Damage Limit	\$ _____
Each Accident Limit	\$ _____

F) Garage Liability (Not Applicable)

This coverage is not required, but may be used in place of Commercial General Liability and Auto Liability coverages for some operations. Coverage will be provided for bodily injury, property damage, personal or advertising injury liability arising out of garage operations (including products/completed operations and contractual liability) as well as bodily injury and property damage arising out of the use of automobiles.

Each Accident Limit – Garage Operations	\$ _____
Auto Only	\$ _____
Other Than Auto Only	\$ _____
Personal Injury & Advertising Injury Limit	\$ _____
Fire Damage Legal Liability “per fire”	\$ _____
Aggregate Limit – Garage Operations	\$ _____
Aggregate Limit – Garage Operations	\$ _____
Other Than Auto Only	\$ _____

If owned vehicles are involved, Liability coverage should be applicable to “any auto” (“Symbol 1”) otherwise, coverage applicable to “hired” and “non-owned” autos (“Symbols 8 & 9”) should be maintained.

G) Excess Liability or Excess "Umbrella" Liability

Minimum Limits: Bodily Injury & Property Damage \$10 million/occurrence & aggregate

This coverage is not required, but may be used to supplement any of the above Liability coverage policies in order to arrive at the required minimum limit of liability. If maintained, coverage will be provided for bodily injury, property damage, personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage shall be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess "Umbrella" Liability policy.

Note: An excess or "umbrella" liability policy may be used to achieve the commercial general liability and automobile liability limits outlined above. However, if a lower limit of liability is used for a subordinate policy, then the limit of liability under the umbrella policy must be that limit necessary to achieve the full limit of liability required for the subject policy. For instance, the General Liability policy requires a \$10 million limit of liability. If the limit of liability provided under the General liability policy is \$1 million, then the umbrella policy must provide a limit of at least \$9million to provide the total requirement of \$10 million. Since the Umbrella/Excess policy applies over both the automobile and the commercial general liability policy, a single limit under the excess policy is all that will be required.

The umbrella liability policy coverage shall be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess "Umbrella" Liability policy. If the coverage afforded by the excess or umbrella policy results in limits greater than the limits required hereunder, then the greater limit shall be available to the NPS in the event of a loss.

H) Environmental Impairment Liability

Coverage will be provided for bodily injury, personal injury or property damage arising out of pollutants or contaminants (on site and/off site).

Each Occurrence or Each Claim Limit	<u>\$1 million</u>
Aggregate Limit	<u>\$3 million</u>

I) Special Provisions for Use of Aggregate Policies

If at any time the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the Concessioner may be required to reinstate such limit or purchase additional coverage limits. The General Aggregate under the Commercial General Liability policy must

apply on a "per location" basis. The Certificate of Insurance required herein will note compliance with this aggregate provision.

J) Self-Insured Retentions

Self-insured retentions on any of the above described Liability insurance policies (other than Excess "Umbrella" Liability, if maintained) may not exceed \$10,000 without prior approval of the Director.

K) Workers Compensation & Employers' Liability

Coverage will comply with the statutory requirements of the state(s) in which the Concessioner operates. The State of North Carolina must be specifically addressed within the policy. Employers liability insurance must be at least \$500,000/insuring agreement

III. PROPERTY INSURANCE

A) Building(s) and/or Contents Coverage

1. Amount of Insurance (Building) \$100% of replacement value as listed in Exhibit D
 2. Amount of Insurance (Contents) \$100% of replacement value
 3. Amount of Insurance (Inventory) \$100% inventory value
-
- 1) Insurance shall cover buildings, structures, improvements & betterments and/or contents for all Concession Facilities, as more specifically described in Exhibit D of this CONTRACT.
 - 2) Coverage shall apply on an "All Risks" or "Special Coverage" basis.
 - 3) The policy shall provide for loss recovery on a Replacement (new for old) Cost basis.
 - 4) The amount of insurance, except for the inventory, should represent no less than 100% of the Replacement Cost value of the sum total of all insured property. Inventory shall be insured at 100% of the inventory value of the products held for sale.
 - 5) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
 - 6) Coverage is to be provided on a blanket basis, real and personal property.
 - 7) The Vacancy and unoccupancy restriction, if any, must be eliminated for property that will be vacant or unoccupied beyond any time period specified in the policy.
 - 8) Earthquake Coverage shall be maintained with a limit of not less than the building replacement costs listed in Exhibit D.

- 9) Ordinance or Law, demolition and increased cost of construction Coverage shall be maintained with a limit of not less than the building replacement costs listed in Exhibit D.

B) Boiler & Machinery Coverage

- 1) Insurance shall apply on the "comprehensive" basis of coverage including all objects within the Concession Facilities.
- 2) The policy shall provide for loss recovery on a Replacement (new for old) Cost basis.
- 3) The amount of insurance should represent no less than 90% of the Replacement Cost value of the sum total of all insured property.
- 4) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 5) Coverage is to be provided on a blanket basis.
- 6) If insurance is written with a different insurer than the Building(s) and Contents insurance, both the Property and Boiler insurance policies must be endorsed with a joint loss agreement.
- 7) Ordinance or Law, demolition and increased cost of construction Coverage shall be maintained with a limit of not less than the building replacement costs listed in Exhibit D.

C) Builders Risk Coverage

- 1) Insurance shall cover new buildings or structures under construction at the Concession Facilities, and include coverage for property that has or will become a part of the project while such property is at the project site, at temporary off-site storage and while in transit. Coverage should also apply to temporary structures such as scaffolding and construction forms.
- 2) Coverage shall apply on an "All Risk of loss" or "Special Coverage" basis.
- 3) The policy shall provide for loss recovery on a Replacement Cost basis.
- 4) The amount of insurance should represent no less than 90% of the Replacement Cost value of the insured property.
- 5) The coinsurance provision, if any, shall be waived or suspended by an Agreed Amount or Agreed Value clause.
- 6) Any occupancy restriction must be eliminated.
- 7) Any collapse exclusion must be eliminated.
- 8) Any exclusion for loss caused by faulty workmanship must be eliminated.
- 9) Earthquake Coverage shall be maintained with a limit of not less than \$_____.

D) Business Interruption and/or Expense (See formula below)

- 1) Business Interruption insurance and extra expense insurance is to cover the loss of income and continuation of fixed expenses in the event of damage to or loss of

Concession Facilities, including, without limitation and with respect to the interests of the National Park Service, the loss (or reduction) of franchise fee payments to the National Park Service by the Concessioner. Extra Expense insurance shall cover the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property. The coverage to be provided shall be at least that calculated as follows:

Anticipated annual Gross revenue from operations	\$ _____
Less non-continuing expenses	(\$ _____)
Total:	\$ _____
Times exposure (# of days of operations/365)	X
Business Interruption limit	\$ _____

E) Deductibles

Property Insurance coverages described above may be subject to deductibles as follows:

- 1) Direct Damage deductibles shall not exceed the lesser of 10% of the amount of insurance or \$25,000 (except Flood & Earthquake coverage may be subject to deductibles not exceeding \$50,000).
- 2) Extra Expense deductibles (when coverage is not combined with Business Interruption) shall not exceed \$25,000.

F) Required Clauses

1) Loss Payable Clause:

A loss payable clause similar to the following must be added to Buildings and/or Contents, Boiler and Machinery, and Builders Risk policies:

"In accordance with Concession Contract No. _____ dated _____, between the United States of America and [*the Concessioner*] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Concessioner without requiring endorsement by the United States of America."

IV. CONSTRUCTION PROJECT INSURANCE

Concessioners entering into contracts with outside contractors for various construction projects, including major renovation projects, rehabilitation projects, additions or new buildings/facilities will be responsible to ensure that all contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors shall comply with the insurance requirements stated herein (for Commercial General Liability, Automobile Liability, Workers' Compensation and, if professional services are involved, Professional Liability). Except for the workers' compensation insurance coverage, the interests of the Concessioner and the United States shall be covered in the same fashion as required in the

Commercial Operator Insurance Requirements. The amounts/limits of the required coverages shall be determined in consultation with the Director taking into consideration the scope and size of the project.

V. INSURANCE COMPANY MINIMUM STANDARDS

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

- 1) All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
- 2) All insurers for all coverages must have a Best's Financial Size Category of at least VII according to the most recent edition of A.M. Best's Key Rating Guide (Property-Casualty edition).
- 3) All insurers must be admitted (licensed) or approved in the state in which the Concessioner is domiciled.

VI. CERTIFICATES OF INSURANCE

All certificates of Insurance required by this CONTRACT shall be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their A.M. Best Identification Number ("AMB#"). The name, address and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the Concessioner, upon written request of the Director, shall provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the Concessioner.

The Certificate of Insurance **shall contain a notation that the insurance coverage represented therein complies with the provisions of this agreement as outlined in Exhibit I.**

The **notice of cancellation provision** of the certificate shall have any and all qualifying language such as: *"We will endeavor to provide"* or *"failure to provide said notice will not place any liability upon the company or its representative"* deleted from its terms.

VI. STATUTORY LIMITS

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit is to be considered the minimum to be maintained.

CONCESSIONER

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

BY: _____

BY: _____

TITLE: _____

TITLE: SUPERINTENDENT
Blue Ridge Parkway

DATE: _____

DATE: _____